Member Copy Complimentary DESKTOP VERSION Indian Cottons, Global Reach !

TEXPROCIL E NEWSLETTER

A Bi-monthly Publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

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INSIDE THIS ISSUE

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TRADE FACILITATION

Texprocil Delegation meets Hon'ble Minister of Textiles

Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles & Women & Child Development (3rd from Left) being greeted by Texprocil Delegation on 8th February in New Delhi. Seen in pic. (L-R) Mr. Neelabh Dalmia, Mr. Manoj Patodia, Chairman, Mr. Amit Ruparelia, Dr. Siddhartha Rajagopal, ED, Texprocil & Mr. Raju Rao, Regional Officer, Texprocil

CHAIRMAN'S MESSAGE

WELCOME TO TEXPROCIL

Indian Cottons, Global Reach !

Dear Friends,

As the days roll by we are witnessing a slow but gradual improvement in the country's trade situation.

Growing for the second consecutive month, India's merchandise exports rose 6.16% year-on-year to USD 27.45 billion in January 2021, according to provisional data of the Ministry of Commerce, Government of India.

As regards, the Cotton Textile Sector, exports of yarn / fabrics / made-ups have been showing a steady positive growth since June 2020. Recently released data for the month of January, 2021 shows that cotton textile exports marked an increase of 7.08% over January 2020. The cumulative exports during the period April-January 2021 have reached US$ 7.76 billion showing a decline of (-) 8.16% compared to the same period previous year.

Considering the steady recovery in exports, we expect to end the current fiscal year with a marginal decline of (-) 5% compared to the previous year, which will be a tremendous achievement considering the unprecedented disruption caused by the COVID-19 pandemic.

While the signs of trade resilience are by all accounts positive, the announcement made in Budget 2021-22 proposing imposition of Basic Customs Duty of 5% along with 5% of Agricultural Infrastructure and Development Cess (AIDC) on imports of cotton and cotton waste has come as a shock for the textile industry.

CHAIRMAN'S MESSAGE

Continued from Page 1

The country's cotton imports mainly constitute varieties like extra-long staple cotton that are not produced in India. This cotton variety mainly Egyptian Giza Cotton and US Pima Cotton is used to produce branded products based on specific requests from buyers mainly retail stores when exported.

In the domestic market also the imported cotton is mixed with Indian cotton to add lustre and finish to different products including lingerie and under garments.

Considering the medium to long term implications of the imposition of 10% levy on Cotton in production of value added goods in our country, I along with Shri Amit Ruparelia, past Chairman, Shri Neelabh Dalmia, GHCL and the Executive Director of the Council took the earliest opportunity to meet with the Hon'ble Minister of Textiles and Agriculture on 8th and 9th February at New Delhi.

Meetings with Government

We met Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles and Women & Child Development, Shri Upendra Prasad Singh, the new Secretary, Textiles and discussed the issue relating to imposition of Customs Duty on import of Cotton proposed in the Union Budget 2021.

We also held meetings with Shri Purushottam Rupala, Minister of State for Agriculture and Shri Amit Yadav, Director General Foreign Trade and apprised them on the likely implications of the imposition of duty on cotton imports.

The officials gave a patient hearing to our requests made before them, and based on their suggestions the Council is working on the further course of action to be taken in the matter.

Shri Upendra Prasad Singh, Secretary, Textiles (R) being greeted by Shri Manoj Patodia, Chairman, Texprocil (L) & Dr. Siddhartha Rajagopal, ED, TEXPROCIL (Centre) in New Delhi on Feb 9, 2021

India-EU Dialogue - Stakeholder Consultation

India and European Union had a High Level Dialogue on 5th February, 2021, led by Hon'ble Commerce and Industry Minister Shri Piyush Goyal with a focus on re-initiation of negotiations for trade and investment agreements with European Union.

As a follow-up to this high level meeting, a stakeholder consultation was held in a virtual mode on 15th February by the Ministry of Commerce. The Ministry invited the line Ministries / Departments and Export Promotions Councils / Organizations to engage in the virtual consultations. The Council participated in the virtual meet and suggested that the Indo-EU FTA should be fast tracked and a "zero for zero" tariff arrangement on the lines of the Indo-Japan CEPA should be negotiated on a priority basis including as an interim arrangement or part of an "early harvest" programme so that the Indian exporters of Textile & Clothing who are currently at a disadvantage owing to "zero duty" access given to our competitors like Bangladesh, Pakistan, Sri Lanka get a level playing field at the earliest opportunity.

The Council's views were endorsed unanimously by all the participating Textile EPC's and the Ministry of Commerce took note of the same.

Let's hope that the Government initiates the process of negotiations in the right earnest so that we can all look forward to early breakthroughs.

Way forward

Friends, the Indian textile sector is slowly but steadily showing signs of revival and growth inspite of many constraints such as volatile cotton prices, fluctuation in yarn prices and ominous signs of a "second wave" or "third wave" of the pandemic with growing evidence of new virus strains mutating.

Given the global pandemic situation, import restrictions and protectionism being increasingly weaponised by many countries, coupled with the non-availability of containers for shipment of goods will undoubtedly weigh on world trade in the first half of 2021. Experts feel that even the weak export performance last year will have some impact on growth in 2021.

While all of us in the trade have not been immune from facing challenges from time to time, we need to keep faith and look forward to a new beginning on a daily basis.

Manoj Kumar Patodia
Chairman
:: TEXPROCIL ::

COMMODITY UPDATE

Cotton Yarns

Ashwin Chandran, Chairman of Yarn Subcommittee of TEXPROCIL and Chairman of SIMA, discusses the current situation facing the Indian cotton yarn sector.

The increase in prices of cotton yarn over the past two months as well as the higher lead time for obtaining yarn from spinning mills is a matter of concern for the downstream players in the textile value chain. I would like to reiterate that the yarn delivery situation is gradually improving and that the present market conditions need to be understood in the right perspective.

Post lockdown, spinning mills started to operate partially from the end of May 2020. Only after September 2020 did close to normal levels of production resume. Lack of orders and labour shortage were the major issues that prevented spinning mills from operating at optimum capacity levels between May and September. From October onwards, manufacturers and exporters of made-ups & apparel stared receiving good orders and there was a sudden spurt in demand for cotton yarn.

As you are aware, 55-60% of the cost of cotton yarn is made up of the raw material i.e., cotton fibre. Cotton prices internationally have been on an increasing trend. The ICE Cotton Index has gone up from around 60 US Cents per pound in the pre-Covid period to over 80 US Cents at present i.e., a 33 % increase over the past nine months. Moreover, the quality of cotton, especially the average staple length has declined during the current cotton year compared to the previous year.

As you are aware, a large volume of cotton stock is being held by the Cotton Corporation of India (CCI). If CCI releases cotton on time to actual users (spinners) at a favorable payment terms, I am sure it will help spinners maintain stable prices, particularly while the cotton output in India is projected to be at a reasonable level of around 360 lakh bales.

Revival of T & C sector post lockdown

For the past two – three years spinning mills were under stress and were forced to hold 30 to 40 days stock of finished goods stock at any point of time. This accumulated stock was liquidated in September and October 2020. After October, spinners were unable to meet the delivery schedules required by the weavers and knitters due to the sudden spurt in demand for yarn. For the past two months, spinners are getting one and a half times more orders than their production capacity and hence, lead times for delivery have increased to 20-25 days. As the downstream sectors are also trying to build-up higher levels of inventory, there is an imbalance in the demand – supply situation. Spinners normally undertake monthly booking for delivery to regular customers. If any customer places orders during middle of the month then immediate order fulfillment is not possible. In the past few years, ratio of increase in installed capacity in weaving & knitting sectors is higher than the increase in the spinning capacity, which is also one of the reasons for higher demand for cotton yarn.

Robust domestic demand

In the present situation, increase in demand for cotton yarn is also being driven by the domestic market. Looking at the increase in recent demand for yarn in the domestic market, a lot of small spinners who had closed down during lockdown period have restarted their mills from October 2020. NTC have announced that they are restarting around 40% of their spindle capacity which has been idle since the lockdown. Hence, availability of yarn in the market is increasing and there is no need for panic buying.

The present situation is only a temporary phenomenon and market forces will ensure that the demand-supply balance is restored in due course. On behalf of the Southern India Mills Association (SIMA), we have sent an advisory to all our Member Mills to ensure uninterrupted yarn supply to the knitting and weaving sectors and avoid undue volatility in prices.

Yarn export performance & need for market diversification

On the export front, for the period April – November 2020, India exported 645 Mn Kgs of cotton yarn, recording a marginal growth of 8% over the similar period last year. While looking at monthly data, export of yarn picked up only from June and has averaged 90 million kgs per month, similar to the pre-Covid period.

Bangladesh is the largest market for export of cotton yarn from India in value terms. China and Bangladesh put together account for 50% of the yarn exports from India in quantity terms for the period April – November 2020. This clearly indicates that there is a need for market diversification to focus on countries where India's share of the yarn imports is less than 20%. The presentation made in the last yarn committee meeting has highlighted these opportunities.

Markets such as Russia, South Korea, Vietnam, Turkey and a few of the Central American countries offer significant scope to increase the exports of cotton yarn from India. All these countries are sourcing most of their requirement of cotton yarn from their neighbouring countries due to various reasons, including Regional Trade Agreements, tariff advantages and other such factors. Considering inherent advantages of yarn manufacturing in India it is possible to increase India's market share in these countries with an in-depth understanding of the market requirements and by undertaking appropriate marketing strategies. The Council will prepare market reports on each of these countries and share with the members in due course.

Market intelligence combined with concerted marketing efforts will help to achieve higher rate of growth in export performance. I wish you a successful year ahead.

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COMMODITY UPDATE

Cotton Yarns

January 2021 Report by ICRA has revised the credit outlook for the spinning segment to 'Stable'.

Appeal made by SIMA and other industry Associations to the spinners to make sure uninterrupted supply has yielded positive results. Softening cotton yarn prices and easing delivery schedule over the past two weeks is a welcome development for the downstream industry.

Favourable payment term stipulated by Cotton Corporation of India (CCI) for procurement by spinners for replenishing cotton requirement is a welcome move. However, plans by CCI to export over 10 lakh bales, mostly to Bangladesh is of concern as it may have negative impact on cotton prices in the domestic market. I would like to point out that CCI has procured 85 lakh bales of cotton during the current season, which is approximately 24% of total cotton output of India in the cotton year 2020-21. So far, CCI sold only 12 lakh bales to the trade and carrying a huge stock. ICE cotton futures is traded at more than US Cents 80 per lb for transaction upto July 2021. Hence, price levels are bound to be in tandem with international cotton prices during the current year and putting pressure on the spinners.

Import duty on cotton

Imposing 5% basic customs duty and 5% agriculture cess on cotton & cotton waste will lead to a cascading effect on the entire cotton value chain. India is mainly importing long staple cotton from the USA & Egypt for spinning fine count yarns in addition to comber noil and waste cotton from Bangladesh for consumption in OE spinning. Reason for such import is due to non-availability of required volumes in the domestic market and the additional duty will lead to increase in input cost for manufacturing finished products such as, fine fabrics, home textiles and denims. We sincerely hope the government will reverse this additional burden on the cotton textile industry.

Export front

Export of cotton yarn for the period Jan – December 2020 was 1,010 million kgs, recording a marginal growth of 1.1% over the previous year, whereas there was a -7.8% decline in value terms during this comparative period.

Mid January to mid February every year is a dull period for cotton yarn export due to Chinese New year holiday season. Even though the Chinese government has announced deferred holiday timelines this year to restrict mass movement of people fearing spread of Covid19 pandemic, practically most of the textile factories are already closed for two to three weeks. Hence there is slowdown in export from mid January onward.

It is reported that Chinese spinning mills are operating at approximately 58 to 60% capacity over the past few months and are maintaining just about 5 days inventory of yarn and over 40 days inventory of cotton thereby indicating that robust demand conditions will continue post-holiday season.

Internationally, cotton prices were stable for the past two weeks while yarn prices saw a declining trend. However, there was a bit of volatility in prices of blended yarns in the month of January.

USDoL : Child labour issue in manufacturing Thread/Yarn

The Bureau of International Labor Affairs (ILAB) of the United States Department of Labour (USDoL) maintains a list of goods and their source countries which it has reason to believe are produced by child labor or forced labor in violation of international standards, as required under the Trafficking Victims Protection Reauthorization Act (TVPRA) of 2005.

In the latest list published on September 30, 2020, it is mentioned that the practice of employing child labour continues to be in India in producing thread/yarn, cotton and cotton seed (hybrid) also.

Failure to take appropriate action in eradicating child labour / forced labour may lead to restrictions in import of goods made by sectors allegedly employing child labour and / or forced labour. The most recent example of this are the restrictions imposed on Xingjian Cotton being produced by China by the US Govt.

The Council & SIMA are working on various activities and programs to achieve significant development in eradicating child labour. I request all Members to take appropriate steps in eradicating child labour in any form in the cotton textile value chain.

Stable Outlook

Due to large variation in cotton grades, cotton yarn grades, stocking cycles, production costs and other aspects, the profit gap of each mill was also large, but overall, it was difficult for spinners to make profits in the year 2020.

In the January 2021 report on 'Indian Cotton Spinning Industry Trends & Outlook' published by ICRA, credit outlook for the spinning segment has been revised to 'Stable' which is an encouraging factor for the entire cotton value chain. It is expected that the present momentum in demand for cotton yarn, both in domestic and export markets to sustain the growth trajectory in the financial year 2021-22.

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For more updates on Cotton Yarn kindly email to: ravi@texprocil.org

COMMODITY UPDATE

Cotton Yarns

Indian spinners need to focus on sustainability, recycled products, BCI, etc and look forward to cater to the premium segment of the market

Need for value added yarn manufacturing

India was the largest supplier of organic textile products until recent times. However, in view of the declining availability of Organic cotton and steep increase in the premium for organic cotton in India, importers of finished products are resisting the increase in prices. With the declining availability of organic cotton textiles, retailers across the world are bound to look for other value added products. In order to maintain export of value added yarns and finished products, it is important for the Indian spinners to focus on sustainability, recycled products, BCI and such initiatives, to cater to the premium segment of the market.

Speculative demand for cotton yarn

As you are aware, cotton yarn prices started declining during the last week of January and the first week of February 2021. However, it is reported that weaving yarn prices started increasing in some of the production centres for the past one or two weeks. This volatility in yarn prices is partly because of speculative trading in yarn and also an increase in demand from the domestic market. It is important that yarn consumers should understand the market dynamics in current market conditions and make sure unnecessary stock building is not happening to avoid price volatility.

Cotton scenario

ICE Cotton futures is trading at approx. 92 to 93 US Cents per pound for delivery during May to July 2021, whereas Indian cotton is being traded at a price lower than International prices by more than 10 %. Against a 12% rally in ICE cotton futures since the beginning of Feb 2021, domestic cotton futures have risen by less than 5% during the period. Persistent rally in cotton prices in global market is likely to keep domestic cotton price range-bound on the higher side for the near future.

If the price difference between Indian cotton and ICE futures maintains at present levels, yarn prices in India will continue to be lower than yarn prices in other major supplying countries. However, increase in prices of imported ELS cotton combined with customs duty is putting pressure on the entire value chain. Egyptian Giza cotton prices have gone up by almost 25% and US Pima cotton prices have gone up by 30% over the past six months.

Reasons for bullish cotton futures in the international trade can be attributed to:

- World Agriculture Supply and Demand Estimates (WASDE) in February reported lower global cotton stock and higher consumption during the current year.
- ICAC cotton update for the month of January indicates that the world cotton output for the year 2020-21 is estimated to decrease by 7% and consumption is estimated to increase by 6%.
- As far as long staple and extra-long staple cotton are concerned, world output for the cotton year 2020-21 is estimated to be lower by 18%, whereas world consumption is estimated to increase by 16%.
- Declining quality parameters of long staple cotton in India and China
- Continuation of restrictions in USA for importing cotton based products made of Xinjiang cotton resulting in large volumes of cotton and yarns being imported into China for further value addition.

Export front

Export data for the month of December shows that there was an increase of 1.8% in export of cotton yarn in the month of December 2020 compared to December 2019. Overall export of cotton yarn for the year 2020 was 1,010 mn kgs, recording a marginal increase of 1.1% compared to export of 999 mn kgs in the year 2019. In the year 2020, Bangladesh, Vietnam and Turkey were the three major markets that fuelled a positive growth in export of cotton yarn from India, while export to most of the other markets recorded either declining trend or a marginal growth.

Owing to increasing price trend in cotton and yarn over the past three months, across the world, there is an overall acceptance of higher prices in major importing countries. There are reports that retail chains in the US are able to increase their selling prices. Market forces will determine how long this increasing price trend will last.

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✦✦ KEY TRENDS TO WATCH ✦✦

◆ Increasing focus on value addition ◆ Speculative Demand & Stocks ◆ Volatility in Prices ◆ Bullish Cotton Futures in the international trade ◆ Yarn export from India records growth

Kindly send your feedback on email: ravi@texprocil.org

COMMODITY UPDATE

Cotton Fabrics

Nikunj Bagadia, Chairman of Fabrics Subcommittee of TEXPROCIL and owner of Ken Enterprises, discusses the current situation facing the Indian cotton fabrics sector.

Recent trends in export of cotton fabrics:

The key features while analyzing the export performance data of cotton fabrics to top 10 destinations upto October 2020 show that the leading markets account for 65% of total export of cotton fabrics from India. There was a 16% decline in total export of cotton fabrics from India for the period Jan-Oct 2020 over the previous year over the same period. The export of cotton fabrics to USA, South Korea, Sudan and Nigeria recorded positive growth with the reason for sharp growth in Nigeria being the fact that China is vacating space in printing low end fabrics and such orders are diverted to other markets, including India. Dyed fabrics accounted for approx. 50% of cotton fabrics export from India and the rest are grey, printed and other finished fabrics. Even though export to some of the countries in the top ten markets has increased, there is a pressure on prices and profitability.

The current pattern of yarn prices

Post lockdown in March and April, the Spinning Mills started to operate partially from end May resuming almost normal operations only after July. However there was a shortage of labour due to labour migration. From October onwards, manufacturers and exporters of made-ups & apparel stared receiving huge orders and there was a sudden spurt in demand for cotton yarn.

For the past couple of years spinning mills were under stress and were forced to hold 30 to 40 days stock. The accumulated stock was sold in October. After October, spinners were unable to deliver quantity required by the weavers and knitters due to sudden spurt in demand for yarn. Hence, it takes 20 to 25 days waiting period for delivery. For the past two months, spinners are getting one and a half times more orders than their production capacity because downstream industry is trying to build up higher levels of stock and it is creating an artificial demand and thereby increase in prices.

In the current situation, increasing demand for cotton yarn is being driven by domestic market and an increase in export orders for cotton yarn may further increase the yarn prices while the demand / supply situation will remain skewed.

Demand for shirting fabrics has declined during the lockdown period across the world while the demand for home textiles is increasing. Hopefully the demand for shirting fabrics will increase in the days to come and it is expected that at least 1 or 2% of China & Vietnam's share will get diverted resulting in additional demand for yarn, particularly finer counts.

Looking at increasing demand and prices, many small spinners who closed down during lockdown period have restarted their mills from October 2020 onwards. Hence, availability of yarn in the market is increasing and there is no need for panic buying. The present situation is temporary and market forces will determine price volatility.

Cotton prices and Organic cotton issues

There is a disproportionate increase in cotton and yarn prices. For example, 60s count price has gone up by 60% from August to January. There is a decrease in availability of 30 mm and above variety of cotton during the current cotton year, mainly due to erratic rain fall in cotton growing areas. It is reported that quality of every variety of cotton has gone down with US Pima and Australia cotton doing good as far as long staple cotton is concerned. However, the impact of restrictions imposed by USA on cotton textile products made of Xinjiang cotton is also minimal and this issue is not the reason for increase in cotton and yarn prices in India.

Premium on organic cotton was very low over the past several years but there was a need for corrective action against fraudulent certifications. The present high premium is still justifiable & affordable by the retailers as there are genuine suppliers of organic cotton in India with sustained demand inspite of high premium.

Going forward: Need to explore export of value added fabrics

The quantum of export of value added fabrics is currently low from India and if it needs to improve then firstly, the processing capacity needs to increase in India. Small units are unable to comply with strict pollution norms and it will help if the Govt can identify locations and provide plug & play units to start processing factories.

Manufacturing cost in decentralized units is low and hence large companies outsource their requirements from the decentralized sector. Power cost is a substantial component in the operating costs and it is important to address this issue to encourage investment in large scale weaving units.

India need to build scale in manufacturing processed fabrics as it is the final link in the value chain to manufacture garments & home textiles.

Setting up processing clusters takes long compared to countries like, say China where respective Provincial governments first set up basic factory sheds, common

COMMODITY UPDATE

Cotton Fabrics

effluent plants etc and then start inviting investments. Hence in India quick approvals need to be given in order to start the processing units to encourage investments in this important link in the entire value chain.

Supplies-Demand situation

The year 2020 is by far a period that the Indian exporting community would like to forget quickly. The global trade took a massive hit and while most of the manufacturing units were struggling to stay afloat, the year has been a relentless ride against all odds.

The Indian textile industry during the later part of the year witnessed a sharp rise in cotton yarn prices leading up to January 2021 mainly due to dried-up inventories as supplies had failed to match demand and spinning mills resumed operations late across the country.

Cotton fibre prices had not risen significantly but the same cannot be said about cotton yarn due to high domestic and a constrained export demand. However, having said that orders seem to be coming in from Bangladesh and Vietnam.

With limited production during lockdown-induced factory closures due to labour shortage, traders and agents started selling to those who were ready to pay higher prices when demand rose later thereby resulting in a significant rise in the last few months.

The yarn prices are now seeing a price correction and its effect on the fabric industry needs to be assessed and evaluated.

Fallout of Yarn Prices on Fabrics

It has been seen that the cotton yarn prices have corrected by almost 10~15% across all the counts in the domestic markets with the maximum drop being seen in the 30s carded category. On the other hand, the viscose yarn prices have remained stable and there is a post budget anticipation of a hike in import prices through Anti-Dumping. Core Spun Spandex yarn prices are still strong due to domestic demand and apparently this has also led to a short supply of spandex core yarns. Also, there seems to be import momentum building up for CSY yarns from Vietnam & Turkey.

Due to sudden rise in the yarn prices, the Indian fabric was out priced in the export markets & the resulting price differential was sufficient for the demand to be met by supplies from China. Due to this fallout India subsequently lost a major chunk of the grey & finished fabric business to China in the last 2 months.

In markets like Myanmar and Middle East for printed and finished fabrics, there were no takers for increased prices as rates for grey fabrics especially from 40s and 60s yarns were up by 30%.

In the organic fabric business, with the organic premia shooting upto ₹100/kg, the Chinese organic fabric was still cheaper by 10~12% thereby hurting India's export further. Denim fabric exports that did well during the Corona Virus period seems to be feeling the heat now due to the increased prices.

The extreme volatility in the yarn prices has been detrimental for Indian downstream exports and even though the yarn prices may see a correction, it will be a huge task to get back the market share that India in the interim lost out to China.

A subdued 4th Quarter for fabrics

With the more infectious Coronavirus strain (and its many variants now) being reported in many parts of the world and the subsequent re-imposition of lockdowns in few markets, the exporting sector is once again forced to adopt a cautious approach before firing on all cylinders.

Retail orders are beginning to get conservative thereby keeping many of the upstream requirements on a leash with commitments for March delivery being made on wafer thin or no margins.

The industry is now on a "Wait and Watch" mode considering the apprehension that prices may fall still further and this would impact the overall export of fabrics at least for the next couple of months resulting in a very subdued final financial quarter.

Demand Scenario

Cotton yarn prices in India moved northwards during the later part of last year and made a correction during early February. However, in the last week further spikes in the yarn prices are now playing havoc with the sentiments of the downstream customers.

This month started off with a 10~15% correction in the yarn prices which did kick start some export demand that was completely dormant for the last 6~8 weeks. 0000

Market stalwarts observe that a cool-off in cotton/yarn prices is desirable in order to restore equilibrium in downstream industry and to bring various sectors of textiles back in balance. This, they believe, could take around 3-4 months. If the global prices stabilise post March, as widely believed, yarn prices will ease too.

Since yarn prices are yet to adjust itself in the downstream industry, textile millers and garments unit owners are "not too anxious about obtaining stocks at the moment". All this has now led to a wait & watch scenario with the end buyers but, if the yarn prices remain stable, fabric demand will pick up.

Trade in cotton fabrics

For the period January to November, India's overall exports of cotton fabrics declined by 14.17% from US$ 2291 million to US$ 1967 million. The main countries where cotton fabrics were exported were Bangladesh, USA, Sri Lanka and Korea.

COMMODITY UPDATE

Cotton Fabrics

Fabric Exports to witness a Subdued 4th Quarter

There was a positive growth (40%) in India'sexport to USA while all other countries recorded a negative growth.

Approx. 65% of India's export to USA was primarily in the items under HS 590390 (Textile Fabrics (Other Than Tire Cord) Impregnated, Coated, Covered Or Laminated With Plastics) and HS 600621(Knitted Or Crocheted Fabrics, Of Cotton, Unbleached Or Bleached). About 25% of the exports were in various HS lines of woven cotton fabrics including exports worth US$ 4.5 million of Denim fabrics under HS 521142.

Of the total export of US$ 1967 million of cotton fabrics from January to November 2020, dyed fabrics constituted the major share of export with US$ 999.3 million, a share of 51% followed by export of grey fabrics with US$ 450 million with a 22.8% share. Export of printed fabrics (mainly to Africa) were US$ 359 million which constituted a share of 18%.

The overall exports of Grey fabric showed a decline of 1.5% while exports to USA, Korea and Sri Lanka showed positive growth. Both dyed and printed fabric exports showed a decline of 22% and 24% respectively.

A hopeful revival

Firmness in the domestic market is attributed to significant price rise in global markets, where strength in global cotton prices is due to anticipation of lower world cotton output and improved stock-usage ratio. This goes to prove that cotton yarn prices will cool off only when cotton prices halt.

The domestic prices of Rayon fabrics & yarn are under pressure, with the yarn prices correcting by almost ₹15~20/kg. Even the fabric prices have corrected by almost 10~12% & demand is very low owing to increased supply of rayon fabric from most of the weaving hubs.

A recent ICRA report said in its key metrics section that 'Supported by export demand, even as demand from domestic downstream segments may recover at a slower pace, yarn realisations and contribution margins are expected to remain at comfortable levels in FY2022'.

Export enquires for fabrics have increased substantially compared to the last 2 months, but the yarn price increase is not helping that cause.

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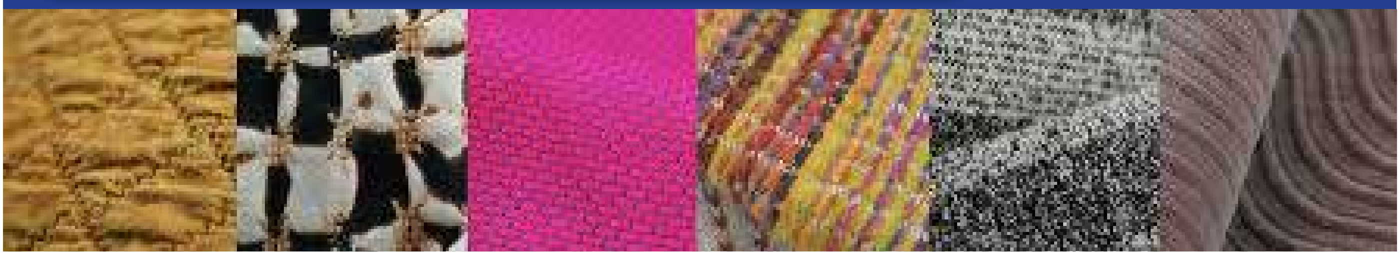
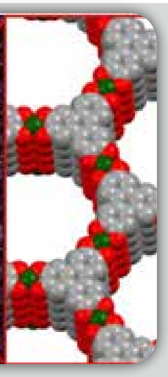
✦✦ TRADE DATA✦✦

◆ Please click the following link to access the trade data giving details on the [INDIA'S EXPORTS OF COTTON FABRICS]

Kindly send your feedback on email: shailesh@texprocil.org



Cotton Blended E-textiles can protect Soldiers & Medics



New technology that harnesses electronic signals in a smart fabric could lead to advanced hazardous-material gear that protects against toxic chemicals, according to research from Dartmouth College.

The SOFT (Self-Organized Framework on Textiles) devices have the potential for use in sensing applications ranging from real-time gas detection in wearable systems, to electronically accessible adsorbent layers in protective equipment like gas masks.

By adding this fabric to a protective suit, sensors can alert the user if a chemical is penetrating the hazardous-material gear. This is not just passive protection, the textile can actively alarm a user if there is a tear or defect in the fabric, or if functional performance is diminished in any other way.

Metal-organic frameworks are the future of designer materials, just

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COMMODITY UPDATE

Trends in Home Textiles

Home Textile Trends to Leave a Mark on the Years 2020 and 2021

Design is turning into an innovative, sustainable and multi-layered identity day by day. Acceleration in home textile trends will evolve into a multi-directional and pragmatic structure where natural and evironmental materials dominate and technology plays a more active role. Designs that find solutions to problems of individuals and increase their comfort within the hectic pace of life will stand out more than ever. Alternative materials or hybrid textile products will gain much more significance in the years 2020 and 2021. Designs that use convertible materials and have environmentally-friendly fashion approaches aim users to make long-term choices.

Colors Reflecting Peace and Balance

Colors standing out in home textile trends for 2020 and 2021 years are shaped in line with the suggestion and expectation of the global color authority, Pantone, as they were in the previous years. Individuals need a stable shelter, peace, confidence, and serenity due to the recent period, which is the main reason why Pantone had selected the color of the year 2020 as the classic blue. Moreover, faded denim, mosaic blue, and tanager turquoise, which are the tones of blue, will stand out in the years 2020 and 2021 exceedingly. Of the pastel tones, rose brown, grape compote, coral pink, sunlight, storm, Biscay green, chive, cinnamon stick, yellow iris, blueberry, and saffron will be used very often. It is expectable that blossom maintains its dominance in 2019 in the years 2020 and 2021.

The tension in the world seems to distinguish pastel tones in the years 2020 and 2021. However, vivid tones of red, purple and orange will have their coverage in home textile designs. Tones of fiery red, orange peel, flame scarlet, flame orange, and beetroot purple are the perfect alternatives for those desiring a vivid and dynamic decoration. Furthermore, earth tones will rise particularly in autumn and winter months. Different tones of brown, mainly lark and Cuban sand, will be abundantly used in designs of home textile products. In addition to tones of oyster mushroom and blanc de blanc, ash will be also preferred as the complementary color in patterns.

Back to the Nature and Core in Styles

Decoration styles which are thought to stand out in the years 2020 and 2021 will have much more sustainability and timelessness. The Hollywood glam style which blends clean and simple lines of the contemporary style with flamboyance and luxury is at the forefront with its fun and striking details.

The rustic style, where natural colors unite with natural and plain forms and which emphasizes simplicity, will draw attention with the Scandinavian style. Moreover, traces of the bohemian style, which consists of local patterns and embroideries and nourishes from the cultural heritage, can be found in different places and designs.

...continued on page 18

» like plastics were in the post-WWII era. Dartmouth experts opine that integrating the MOFs (metal-organic frameworks) into SOFT devices can dramatically enhance the performance of smart fabrics that are essential to safety and security.

In a process similar to a building framework assembling itself, cotton and polyester textiles coated with conductive crystals at the fiber-level are created by direct self-assembly of molecules with organic molecular struts connected by metallic linkers from solution.

Wearable electronics are thought to have great potential in areas including homeland security, communication and healthcare. Soldiers, emergency personnel, factory workers and others that risk exposure to toxic chemicals could benefit from the new smart fabrics.

The materials could also help medical patients that require monitoring of specific airborne chemicals that come from the environment or even from their own bodies. The fabrics are also stable in heat, have good shelf-lives and retain a full-range of utility under humid conditions. Soldiers, emergency personnel, factory workers and others that risk exposure to toxic chemicals could benefit from the new smart fabrics.

Source: Sciencedaily.com

COMMODITY UPDATE

Trends in Home Textiles

Designs Objecting to the Ordinary

The obscurity in the world directs designers to multi-layered patterns and shapes, which question humanity. Therefore, fracture and reflecting surface effects, which are prepared with the inspiration by digital areas, will exceedingly stand out with three-dimensional patterns. The movement, which puts irregularity at the forefront, is considered as a red flag unfurled for flushed-seamed and repetitive patterns and motives.

Moreover, designers, who interpret obscurity as an introversion and internal reclusion, will head for fabrics without any patterns used. Designs, where natural materials are weaved or knitted meticulously, will give voice to the longing for stability with repetitive patterns. Three-dimensional patterns reminding of surface textures, where different tones of one color are used, will be abundantly used in contemporary and urban designs. Modern interpretations of folkloric and antique designs are among the pattern alternatives which you can see everywhere.

Natural Materials with Increased Qualities

The trend of the back to naturalness will also continue in the years 2020 and 2021. However, compared to the previous years, there will be a significant change in the natural materials used. Qualities of natural materials such as cotton, linen, silk, and wool will be increased with the new-generation technologies. In products with direct contact with the skin, qualities such as high absorbency, anti-bacteria, extra softness, and perfected air circulation will stand out. Moreover, home textile products made of hemp fibers will be gradually popularized.

Reflections of Trends on Entities and Workplaces

Designers will create their works based on sustainability, versatility, and creativity in the years 2020 and 2021. Therefore, it draws attention that many textile products considered useless and garbage will be used creatively. The movement, which you can see as utilizing old stuff, will be applied in places such as cafes, restaurants or hotels successfully.

An old fishing net can be preferred as a decorative detail in the rooms of seashore hotels. Earth tones will be abundantly used in the accommodation and health industries. Local motives and patterns can be preferable in many entities from cafes to restaurants. In areas such as offices, plain designs with different tones of the same color will distinguish.

Environmentally-Friendly Solutions

Textile is one of the industries which is needed the most during the manufacturing process. Plenty of water is used during not only processing and coloring stages of products but also manufacturing natural raw materials on textiles. Compared to many fibers, hemp is grown with less water usage, which makes them widespread thanks to this quality in the years 2020 and 2021. Moreover, human health and environmentally-friendly components will be gradually used in the processing and coloring stages, and simple manufacturing methods damaging nature less will be developed.

Source: cnrevteks.com

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COMMODITY UPDATE

Trends in Home Textiles

Stay-at-home trend augurs well !

Export order flow has improved significantly beginning with the 2nd quarter of current fiscal due to reopening of departmental stores and pent-up demand.

With people spending more time at home, including for work, drastically lower socialising opportunities, and sharper focus on health and hygiene, demand for home textile products is expected to continue to grow.

Demand continued to remain strong in the third quarter as well due to the festival and holiday season, which saw many of the store retailers organise online schemes to improve sales.

Advantage for Indian Home Textiles

The Indian home textile manufacturers can gain traction with competitive advantages resulting from abundant availability of raw materials and skilled manpower along with steady capability and capacity available for growth.

The sector continues to ride on the inherent advantages seen in abundant availability of raw material in India – both natural fibres as well as from synthetic/ man-made fibres, along with a shift towards organic and other sustainable cotton fibre. Further the rise in aspirational buying i.e. a change from need-based to aspirations based buying is seeing consumers transition towards branded products that promise better returns.

The premium product purchases have been further augmented by rising per capita income mainly in the emerging markets improving discretionary spending. Further, on account of the Covid-19 pandemic, many brands are seeking to reduce their dependency on a single geography. India being a second largest home textile exporter as well as major cotton producer in the world is likely to benefit from this structural shift.

Trade in the US

India and China are the dominant players in the US home textile imports. The imported items include cotton terry towels, other cotton manufactures (including table and kitchen linens, bedspread, curtains, upholstery), cotton sheets, cotton bedspreads & quilts, MMF floor coverings, other MMF furnishings and wool-floor coverings.

The US is one of the largest markets for India's export of home textile with ~50% market. However, it still sources 50% of its home textiles and made-ups requirements from China. In 2019, due to the US-China trade war, China's share in US made-ups imports reduced by 1.65% in comparison with the previous year. This helped India in increasing its import by 1.21% as opposed to that in 2018-19

Trade in the EU

EU-28 continues to be a major market for Indian home textile products. However in the EU, the Indian textile companies experience greater trade barriers as opposed to the competitors like Bangladesh, Vietnam and Pakistan. The average tariff on textile products faced by India in the EU is 9.6%. India's export to the European Union (EU) accounts for 45% of the total textile products and the home segment comprises mainly home linen and sacks and bags of packing goods.

Developments in Post-Covid world

The lockdown due to Covid-19 has impacted almost all industries alike. Many things have changed around us like work from home, social distancing, and emphasis on health and safety among others. The pandemic outbreak and the drastic slowdown in the global economy have increased the cost of textile production. Additionally, the customers are de-risking their dependence on single geography supply. This, in turn, has offered an opportunity for the Indian textile sector to capture the market share of China in the developed world, especially in the EU and the USA.

Amidst this backdrop, an optimistic and confident outlook suggests that undertaking proactive steps and timely decisions will enable the home textile players to build a sustainable long-term future. Riding on the recent experiences, the home textile companies in India are seen focusing on four key actions viz. adhering to safety protocols prescribed by government under WHO guidelines; aligning with unique customer needs; achieving financial stability through cost control to maintain steady flow of working capital; and providing incessant support to customers and supply chain partners.

Recommendations going forward

Indian Home Textile players are well positioned to leverage the opportunity brought in by the new normal by consolidating their customer base, ensuring capital adequacy, undertaking wider geographic distribution and developing an extensive sectoral understanding of product development to quickly adapt to the changing customer ecosystem.

The companies also need to keenly focus on e-commerce, digital marketing, developing health and hygiene products and other innovative ways to reach out to their customers and strengthen relationships with them. Taking risk management to the core of operations and increasing investments in R&D can help build the industry's competencies and provide benefits in the years to come.

Home textile businesses can ensure sustained growth by increasing focus on new user categories being enquired in the low-to-mid segments of the industry. This also calls for consolidating the existing position in the luxury segment which can insulate volume growth. Similarly, in the wake of structural shifts they can seek to explore new emerging markets which offer scope for widening geographic distribution and share improvement.

Finally, the recent positive developments, in the wake of higher in-home consumption due to increased stay-at-home period and a sharper focus on health and hygiene amid the pandemic, are seen helping Indian home textile exporters weave their way out of the downturn faster than other textile segments. The Stay-at-home trend seems to have augured well for the sector's organic growth!

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COMMODITY UPDATE

Trends in Home Textiles

Sharp recovery in demand can assure a promising future for Indian Home Textiles

Higher in-home consumption due to increased stay-at-home period and a sharper focus on health and hygiene amid the pandemic are helping Indian home textile exporters.

Available reports highlight that the Rs. 55,000 crore Indian home textile sector, comprising products such as terry towels, bed sheets and spreads, pillow cases, curtains, and rugs and carpets that derives as much as 60-70% of its revenue from exports is witnessing good growth.

The improvement is borne out by a 7% on-year sales growth in the fiscal second quarter for few home textile exporters with integrated operations who had logged 40% lower revenue on-year in the first quarter. Continued order flow from major export markets, improvement in domestic demand, and the ability of players to manage liquidity amid the continuing pandemic will be the key to success in the sector.

As pandemic arrived, most of these companies reportedly jumped on the opportunity of manufacturing masks, PPE kits, anti-viral bed sheets and towels, which proved to be a big saviour for the home textile firms. Apart from the antiviral products, masks and other goods, these firms also looked at sleep related innovations which is becoming a very important aspect.

Commenced sales but margins hit

A weak first quarter will have a bearing on revenues for the full fiscal, which are expected to decline 10-12%. This, revenue de-growth for home textile exporters will be limited to 10-12% this fiscal as compared with 30-35% for the overall textile sector. The United States and the European Union account for over 80% of these exports, with big-box retailers of essentials and departmental stores among the major customers.

Also, lower capacity utilisation and benign realisations in the first quarter will lead to suboptimal coverage of fixed costs despite competitive cotton prices and favourable currency movement. Reports suggest that this will lead to moderation in the operating margin of home textile exporters by 200 basis points to 12-13% from 15% seen over the past two fiscals. As per the reports lower revenues would hurt operating margins. However, lower requirement of capacity addition and working capital will limit material moderation in the credit profiles of home textile exporters this fiscal.

Export Orders improve amidst challenges

After China, India is the largest producer of cotton and has vertical integrated facilities here which attributes to the growth of country in home textiles segment.

Export order flow has improved significantly beginning with the second quarter of current fiscal due to reopening of departmental stores and pent-up demand. With people spending more time at home, including for work, drastically lower socialising opportunities, and sharper focus on health and hygiene, demand for home textile products will continue to grow. Demand is expected to stay strong in the third quarter as well due to the festive season.

Unfortunately, this same growth in demand is being massively hampered by the logistics implosion as there are currently not enough containers to feed the export demand, and there is a shortage of space on vessels that do come into India.

Home textile manufacturers deriving a larger part of their revenue domestically are affected more than exporters due to extensive lockdowns in India and gradual opening of many retail outlets, leading to slower recovery.

Towards a promising future

Indian home textile products have always been appreciated in the international market; the products exhibiting a unique signature; mix of hand woven and machine made products. Especially, products like bed sheets, pillow cases, curtains, cushion covers, rugs , carpets, etc. are in demand from India as we are known for beautiful fabrics, finishes and also because there has been a gradual shift in the buying behaviour from China especially in the US and Japan due to pandemic. We should definitely convert this opportunity into possibility.

Furthermore, India as compared to China and other Asian factories has traditionally produced hand crafted labour intensive home textile products, which were more expensive for the middle/upper middle market. However, now in the future, Indian factories need to re-think strategy, and offer products for the mass market, which can be made using technology and involves cost effective production process. This will be the only way to compete with China and grow in the long term. At the same time growth will also come from increased focus on eco-friendly finishes, new techniques of digitalisation, e-commerce market place, design and product innovation.

With the commencement of the New Year the trend of work from home will continue as the world is still experiencing the virus mutating differently every time. This will keep up the demand of home textile products, however, exporters and manufacturers will face tighter margins. The market are expected to stabilize by the end of 2021. Indian home textile exporters are definitely witnessing a sharp recovery in demand and thus the future looks promising !

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PRESS RELEASE

Highlights of the Union Budget 2021-22

The Union Budget for 2021-22 was announced on 1st February 2021 in the Parliament by the Hon'ble Union Minister of Finance, Smt Nirmala Sitharaman.

Some of the salient features of the Budget are as follows:

- Basic Customs Duty of 10% imposed on Raw Cotton.
- To enable the textile industry to become globally competitive, attract large investments and boost employment generation, a scheme of Mega Investment Textiles Parks (MITRA) will be launched in addition to the PLI scheme. This will create world class infrastructure with plug and play facilities to enable create global champions in exports. 7 Textile Parks will be established over 3 years.
- BCD on caprolactam, nylon chips and nylon fiber & yarn reduced to 5%.
- The time-limit for re-opening of assessment reduced to 3 years from the present 6 years.
- To incentivise start-ups in the country, the eligibility for claiming tax holiday for start-ups extended by one more year - till 31st March, 2022. Further, in order to incentivise funding of the start-ups, capital gains exemption for investment in start-ups extended by one more year - till 31st March, 2022.
- Government to take every possible measure to smoothen the GST further, and remove anomalies such as the inverted duty structure.

Click the following links for more detailed information on the Budget 2021-22

1. Budget Highlights **(Click Here)**
2. Hon'ble Finance Minister's Speech **(Click Here)**

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"Union Budget 2021-22 Growth oriented but imposition of BCD on Cotton – a matter of deep concern" – Chairman, TEXPROCIL

The Union Budget for 2021-22 has launched "Mega Investment Textiles Parks (MITRA) under which seven Textile Parks will be established over a period of three years. "This is a very positive step which will enable the textile industry to become globally competitive, attract large investments and boost employment generation", said Shri Manoj Patodia, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

The Budget has reduced the Basic Customs Duty on caprolactam, nylon chips and nylon fiber & yarn to 5%. This will encourage the growth of the MMF sector especially the MSMEs, according to the Chairman, TEXPROCIL.

On the Direct Taxes, the Budget has reduced the time-limit for re-opening of assessment to 3 years from the present 6 year. This is a welcome step and it will remove the uncertainty for the assesses".

However, Shri Manoj Patodia expressed his concern over the imposition of 10% Basic Customs duty on Raw Cotton which was surprising. He said this will make imports of Extra Long Staple Cotton costly especially Giza Cotton from Egypt and Supima Cotton from the US. The Chairman, TEXPROCIL also expressed his apprehension that the imposition of import duty on Cotton will increase the domestic prices of Cotton which will now be based on the import parity price plus the Basic Customs duty which in turn will increase cost for the value added products like fabrics , made ups and garments . He also pointed out that there has been a decline in imports of cotton by a sharp 77% during the period from January to Novembers 2020 as compared to the same period in 2019 and as such there is no case for an imposition of import duty on cotton.

Shri Manoj Patodia appealed to the Government to withdraw the Basic Customs duty on Cotton in the interest of the textile & clothing sector and its orderly development and especially as India is a cotton surplus country. He further stated that if the Basic Customs duty on Cotton is not withdrawn immediately it will have an adverse impact on employment and investments in the value added textile & clothing sector.

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Avail of more detailed information on
EXIM POLICY @ TEXPROCIL
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email: ravikumar@texprocil.org

ACTIVITY ROUND-UP

TEXPROCIL - The Facilitator !

Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL, provides an update of the current situation facing the cotton textile sector and trade facilitation initiatives undertaken by TEXPROCIL.

The time seems to be right to not only plan for success but also work towards success of our plans.

As the New Year 2021 set in, it brought up new hopes of business, revival across the textile value chain. "Pent up" demand seemed to surface in the commodity and finished goods trade leading to a possible "v" shaped recovery.

Sub – Committee Meetings

onsidering the revival of demand, the three product sub Committees of the Council viz. Yarn Sub Committee, Fabrics Sub-Committee and Made-ups Sub Committee held their meetings during January to assess the emerging trends in exports, price fluctuations in raw cotton and cotton yarn and the liquidity crunch being faced by several small and mid-sized units.

The manufacturers of fabrics and made-ups expressed their concern at the rising prices of raw cotton and yarn and called for concerted efforts on the part of the Council and all likeminded textile associations to appeal for a moderation in prices as it was impacting the production of value added finished goods like bed linen/ towels etc.

It was also noted that the trend of "Work from Home" had led to a fall in consumption of uniform and office wear fabrics. At the same time, pandemic led concerns for safety and hygiene had led to a surge in demand for special treatment finishes in fabrics.

In the Made-ups sector, it was pointed out that while the US-China trade standoff continue, the disadvantage faced by Indian exporters in the leading markets of European Union on account of tariff preferences given to competing countries like Bangladesh, Pakistan, Sri Lanka, Vietnam and Turkey was eroding India's market share.

Further, Brexit which had come in to force from 1st January 2021 had also "rolled over" the EU GSP benefits given to beneficiaries with the result that United Kingdom (UK) was also granting preferential access to India's competitors. Thus, it was felt that post Brexit India is set to lose market share in UK, as the competing countries will have a tariff advantage of 9.5% over India from day one.

The Council has been representing to the Government on the need for a level playing field in this regard by expediting the Indo-EU FT and also an Indo—UK FTA so that the exporters can preserve their market share, if not, expand it. These issues were raised in a webinar meeting with the Ministry of Commerce on 15th February, where al the textile EPCs unanimously recommended a "zero for zero" agreement in the textile and clothing sector with the European Union and UK/Britain.

Union Budget 2021-2022

The New Year also heralds the presentation of a new Budget and this year it was presented on 1st February 2021.

The Budget contained a whole host of measures aimed at accelerating the pace of reforms and the GDP growth rate. As regards the textile sector, the focus was on creating a globally competitive industry, by attracting large investments and giving a boost to employment generation. Towards this end, setting up of seven Mega Investment Textile Parks (MITRA) was announced in addition to the Production Linked Incentive (PLI) Scheme, so that world class infrastructure with "plug and play" facilities are created leading to emergence of global champions.

All these measures are steps in the right direction, as for too long, India has been saddled with incremental growth and the time has now come to take a 'giant leap forward' with a quantum jump in growth.

Import duty on Cotton

While the steps taken to attract investments are visionary, the sudden announcement levying import duty on cotton came as a surprise to the industry and trade. The budget proposed to impose a Basic Customs Duty (BCD) of 5% and an AIDC (Agricultural Infrastructure and Development Cess) of 5%. Both the BCD and AIDC put together work out to 10%. In addition, there is a SWS (Social Welfare Surcharge) of 10% on the aggregate of BCD plus ADIC. Therefore, the total duty on imports of Cotton will be 11%.

ACTIVITY ROUND-UP

TEXPROCIL - The Facilitator !

With India importing only 3% of total production of cotton, the imposition of customs duty is inexplicable. Further, the varieties being imported US PIMA, Egyptian GIZA (which are mainly Extra Long staple cotton, ELS) are not grown in India and hence imports pose no threat to domestic farmers.

The Council has appealed to the Government to withdraw the basic customs duty and agricultural cess on cotton in the interest of the textile and clothing sector and its orderly development especially as India is a cotton surplus country. In case the duty is not withdrawn immediately, it will have an adverse impact on employment and investments in the higher value added and branded segments of the textile and clothing sector.

New Rules on refund of IGST

The Union Budget 2021-22 has also proposed that on the basis of recommendation from the GST Council, the Government will specify the category of exporters who would be eligible to export under the facility of "Refund of IGST". There are apprehensions that if this is implemented, a large number of exporters will not be eligible to export under this facility and they will be forced to export under LUT / Bond, in which case, there could be delay in getting the refunds. The Council has made a representation to the Government on this issue as well.

TEXPROCIL E-NEWSLETTER

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Textile Day

Friends, despite all the issues faced by the textile sector, investors and private equity funds continue to track the developments in this vital segment of the Indian economy. With factories resuming production and the retail activity resuming, the sector started showing signs of improvement since August 2020 onwards riding on the improvements seen in the global demand. The policy reforms undertaken by the Government have also infused a new ray of hope and confidence in the system.

One such event was moderated by the well-known fund manager, Motilal Oswal on 20th January 2021. The session focussed on the future prospects of the cotton textile industry including possibilities of investments shifting away from China. The Council made a presentation titled "Envisioning a Bright Future for Indian textile sector" highlighting the inherent strengths of the cotton textile economy and inviting investors to invest in the sector in view of favourable policies relating to corporate tax, rationalisation of the definition of Medium and Small Enterprises (MSME's), setting up of Mega textile Parks, Production Linked Incentive (PLI) Schemes and Refund of Duties and Taxes in exported products (RoDTEP). The Council's presentation was well received by all the attendees at the webinar.

Technical Textiles

India's journey in a short time from being an importing country to achieving self-sufficiency and becoming an exporter country of PPE Kits exhibited the country's capacity in becoming a world leader in manufacturing of technical textile. In this connection, IMC Chamber of Commerce & Industry" on January 27, 2021 Smt.Smriti Zubin Irani, Hon'ble Union Minister of Textile, Women and Child Development graced the occasion as the Chief Guest and delivered the Keynote Address at the inaugural session inspiring all to look closely at the fast growing technical textiles segment.

It was pointed out that India can make a serious bid to gain significant market share in at least three identified segments of technical textiles viz. Sportstech, MediTech and Geotech. Separate technical sessions were held in each of the above segments. All the sessions brought out the opportunities available to Indian entrepreneurs to expand their presence in the global technical textile market which is expected to reach IS $ 220 billion by 2022.

Webinars / Virtual Meetings

As the New Year commenced, the Council also stepped up its efforts to engage with various segments of its membership by holding a Webinar on policies and procedures and online meetings of the various product subcommittees viz. Yarn, Fabrics and Made-ups at the Council.

An important webinar was conducted on GST Refunds on Exports, Risky Category Exporters and Latest Amendments in the Foreign Trade Policy / EDPMS" which was attended by over 200 participants. All these issues were causing difficulties to exporters in varying degrees.

The webinar provided guidance to the exporters on various issues related to these aspects of trade and taxation policies and also sought suggestions from the exporters on difficulties faced by them in their day to day interactions with the Regional Offices of DGFT, Customs, Shipping Lines and the GST Commissionerate. The Council will be holding many such webinars in the coming months for the benefit of the members.

Summing up

With a right mix of policies, success of vaccination drive and limited impact of a second or third wave of the pandemic, we should all look forward to better times. To ensure the tide turns in our favour the time seems to be right to not only plan for success but rigorously work towards the success of the plans!

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ACTIVITY ROUND-UP

TEXPROCIL - The Facilitator !

Advertisement Package for promoting products and solutions in the E-publications of TEXPROCIL

Dear Madam/Sir,

As a part of TEXPROCIL's knowledge sharing initiatives, the Council is coming up regularly with various E-publications. The circulation of these publications, averaging to over 3000 avid readers, includes the Council's strong database of 2,000 nos. membership comprising manufacturers, exporters, traders of Indian cotton fibre, yarn, fabrics and madeups range of products. The readership database also includes the contacts of textiles trade associations, government representatives, foreign missions, etc. which are being updated from time to time.

The Council has planned to offer an **'Advertisement Package'** for the various E-publications with a view to enhance the exposure of products and solutions being offered by various entities. We request you to kindly consider the advertisement opportunity as per details attached.

E-publication details are as follows:

1. **E-Newsletter** – Published every fortnight – Launch of New Volume in the last fortnight of January 2021.
2. **IBTEX** – Published daily – Includes news clippings on articles of interest in T&C appearing in various publications.

Advertisement Package details are given below this column.

For further clarifications you may like to advise your office to kindly write to Mr. Rakesh Chinthal, IT Officer/ Mr. Rajesh Satam, Joint Director on email: rakesh@texprocil.org / rajesh@texprocil.org.

For queries related to booking your advertisement kindly write to Mrs. Mrunal Sawant on email: mrunal@texprocil.org.

We look forward to receiving your enquiries / confirmation for availing the advertisement opportunity in E-publications of TEXPROCIL.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
:: TEXPROCIL ::

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(For Advertisement in TEXPROCIL E-PUBLICATIONS)

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SPECIAL FEATURE

Trading with Developing Nations

The UK Generalised System of Preferences (GSP)

Trade preferences reduce or remove rates of duty (tariffs) on imports from eligible developing countries into the UK. Eligible developing countries can get trade preferences through the UK Generalised Scheme of Preferences (GSP).

The country has already signed trade agreements with 62 countries ahead of the end of the Brexit transition period on January 1, 2021, including countries like Turkey, Canada, Singapore, Mexico, etc.

Trade between India and the UK

The UK is one of India's largest trading partners amongst the European countries in the textiles and clothing (T&C) sector, accounting for almost 24 percent of the T&C products exported from India to the EU region.

The Cotton Textiles Export Promotion Council (TEXPROCIL) has urged the Indian government to formulate a Free Trade Agreement (FTA) and start negotiations if it does not wish to lose the first mover advantage and consequent market share in the UK.

The UK post-Brexit :

The UK government has taken a slew of measures to uplift the country's business sectors and ease trade relations between UK and other countries. On the external front, to reduce impact of Brexit on the economy UK is in progressive talks with developed markets including the USA and Japan. The measures undertaken internally include amendment to the UK's Tax-free and Duty-free process, implementation of the UK Internal Market bill, the UK's Membership in CPTPP and more importantly launch of the UK GSP.

The post-Brexit United Kingdom (UK) expects to establish an export program that will emulate the effects of the European Union's (EU) Generalised System of Preferences Plus (GSP+) scheme, ensuring a degree of continuity for exporters shipping goods to the UK.

The UK GSP Launch

The UK's generalised scheme of preferences (GSP) will cover all countries currently eligible for trade preferences under the EU's GSP after the end of the transition period. The scheme will cover all eligible countries that do not have their existing trade agreements transitioned into a new agreement with the UK. The UK's textiles and apparel imports last year were $9.77 billion which was approximately 30 per cent of total textiles and apparel imports into the UK.

The UK GSP will have three frameworks such as least developed countries (LDC), general and enhanced. The countries in LDC framework are classified as LDCs by United Nations. Imports from these countries have quota-free access and nil rates of import duty on all goods other than arms and ammunition. Bangladesh, Cambodia, Ethiopia, Gambia, Haiti, Laos, Myanmar and Nepal are included in this framework.

TEXPROCIL has urged the government to negotiate an early FTA with the UK

The general framework has the countries that are classified as low-income and lower-middle income as per the World Bank. Imports from these countries have reduced rates of import duty on certain goods. India, Indonesia and Nigeria are included in the general framework. Algeria, Egypt, Georgia, Ghana, Guatemala, Honduras, Kenya, Morocco, Tunisia and Vietnam will receive GSP market access if they do not implement a trade agreement with the UK before January 1, 2021.

The countries included in enhanced framework are classified by the World Bank as low-income and lower-middle income countries. They must also implement 27 conventions relating to human and labour rights, environment and good governance. Imports from these countries have a nil rate of import duty on certain goods. Armenia, Bolivia, Mongolia, Pakistan, the Philippines and Sri Lanka are included in this framework. The UK will provide a graduation period of at least three years before removing a country from the relevant framework.

Preferential rates of import duty may be suspended on a specific product group that is already highly competitive without trade preferences. This is known as goods graduation. The UK's first list of graduated goods replicates the EU's current list of graduated goods until the end of 2022. The next list of graduated goods will take effect in 2023. It will be reviewed every three years.

Continuation of the GSP benefit

According to UK's Export Development Board (EDB), along with a few other countries, Sri Lanka will continue to enjoy EU GSP benefit from 2021 post-Brexit. The UK is the second largest export market for Sri Lanka after the US. Exports to UK in the first 10 months of 2020 amounted to $766.72 million and rose by 39 per cent to $102.50 million in October as per provisional data.

According to EDB, after the transition period, the UK Global Tariff (UKGT) would replace the EU's Common External Tariff. UK Generalised Scheme of Preferences (UK GSP) would apply from January 2021.

SPECIAL FEATURE

Trading with Developing Nations

The UK Generalised System of Preferences (GSP)

India, UK Agree to Immediate 'Enhanced Trade Partnership'

- Agreement to fast-track free trade and market access
- Full free trade agreement could be in place by June
- An interim deal could be agreed with immediate effect
- UK exporters should be assessing the India market

Interim Agreement likely before a new India-UK FTA

The India and UK Trade Ministers reviewed the ongoing engagements between the two sides for an ETP as part of developing a roadmap towards a potential comprehensive FTA, including considerations on an interim agreement on preferential basis.

The British Foreign Secretary Liz Truss, and Piyush Goyal, India's Minister for Commerce and Industry released a joint statement on February 5, laying the groundwork for an 'Enhanced Trade Partnership' (ETP) following meetings held this past weekend in Delhi.

The UK and India have been examining the potential for a full Free Trade Agreement, and discussions were carried out on the entire range of bilateral trade and economic relations, while understanding each other's priorities and trade sensitivities. Both Trade Ministers reiterated their commitment to long term India-UK partnership and agreed to deepen trade cooperation between the two countries through an ETP. They also reviewed progress in removing market access barriers on both sides.

Meanwhile, the European Union (EU) also met with Indian officials virtually on Friday, February 5, holding a high-level dialogue for the first time. The EU-India high-level dialogue was co-chaired by Minister of Commerce and Industry, Piyush Goyal, and the European Union Executive Vice-President and Trade Commissioner, Valdis Dombrovskis. The ministers "agreed for further deepening of bilateral trade and investment relationship through a series of regular engagements, aiming at quick deliverable for the businesses in these tough times" (India-briefing.com)

The proposed Enhanced Framework of the UK replicating EU-GSP Plus criteria is expected to be enforced on January 1, 2021 for a three-year-period from 2021 to 2023. As per the information of the Sri Lanka High Commission in the UK, the current EU GSP Rules of Origin criteria will be applicable till December 31, 2023 and the exemptions of the EU-GSP Rules will be available in a different terminology such as bilateral, regional, cross-regional, and extended cumulation.

A beneficiary country intending to apply for extended or cross regional cumulation has the option to submit a joint application to the UK authority once the Enhanced Framework is enforced.

With regards to the proof of origin of exported goods, the Registered Exporters System (REX system), which is in use at present, will be discontinued from December 31, 2020. However, a similar self-declaration form or a Certificate of Origin (COC) Form A will be introduced by the UK authority. More details and guidelines on the COC will be issued shortly by the UK authorities.

During the three-year-period from 2021 to 2023, the UK will review the eligibility criteria, rules of origin criteria and guidelines to develop its bespoke preferential scheme. The stakeholders too will be consulted in this process.

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To understand more about the UK Generalised Scheme of Preferences (GSP) kindly visit the following link:

UK-Generalised-Scheme-of-Preferences

Download the UK Generalised Scheme of Preferences (GSP) (ODS,571KB) to check which goods are eligible:

UK-GSP-List-of-eligible-goods

Kindly send your feedback and comments to TEXPROCIL on email : rajesh@texprocil.org

COUNTRY UPDATE

Market report on textile trade in USA

By N. Ravindranathan, Director, TEXPROCIL

With a population of 316 million people, USA is the single largest importer of Textile & Clothing (T&C) in the world. In the year 2019-20, USA imported US$ 112 Billion worth of T&C products and also exported US$ 26 Billion worth of T&C, which clearly indicates that T&C manufacturing continues to be an active sector. T&C manufacturing is an important component of the U.S. economy and are found in every region of the country.

Key facts - T&C manufacturing sector in the USA :

- Provides employment to over 585,000 workers.
- Excluding raw cotton and wool, two thirds of U.S. textile supply chain exports sent to free trade partners in 2019. The entire U.S. textile supply chain exported to more than 200 countries, with 24 countries importing $100 million or more.
- The U.S. textile industry supplies more than 8,000 different textile products to the U.S. military, mostly made of synthetic textiles.
- Textile research and development is an important activity, with the U.S. textile complex developing next generation textile materials such as conductive fabric with anti-static properties, electronic textiles that can monitor heart rate and other vital signs, antimicrobial fibers, lifesaving body armour, and fabrics that adapt to the climate to make the wearer warmer or cooler.
- The U.S. textile industry invested over $18 billion in new plants and equipment from 2009 to 2018, including recycling facilities to convert textile and other waste to new textile uses.
- U.S. textile mills have increased labor productivity by 69% since 2000.
- In 2019, hourly and nonsupervisory textile mill workers on an average earned more than twice as much as apparel store workers ($722 per week vs. $314) and received healthcare and retirement benefits.

Export of T&C from USA

For the period Jan-Nov 2020, USA exported US$ 20.82 billion worth of T& C products, of which export of Textiles was valued at US$ 17.11 billion. Of the total export of Textiles, cotton textile products (excluding raw cotton) was valued at US$ 4.34 billion accounting for a share of 25%; share of cotton was 32% and the balance 43% is export of textiles made of synthetic, wool and other textile material.

(Insert TABLE 1. here)

Table 1: Export of T&C from USA

Top 10 markets for export of Cotton Textiles (including cotton fibre) from USA is given at Chart 1. It may be noticed that Canada, Mexico, Honduras & Dominican Republic account for 30% of export of cotton textiles from the US. Export to China, Vietnam, Bangladesh, Pakistan, Turkey and India was mainly cotton fibre. China is the largest market for US cotton.

(Insert CHART 1. here)

Chart 1: Top ten markets+ India for export of cotton textiles (including cotton fibre) from USA (Jan - Nov 2020)

Import of T&C into USA

For the period Jan-Nov 2020, USA imported US$ 104.13 billion worth of T&C, of which import of Textiles was US$ 40.57 billion and cotton textiles was valued at US$ 26.66 billion.

India's share in supply of cotton textiles into the US was 9%, which comprised mostly of home textiles.

In the year 2019, USA imported US$ 11.83 billion worth of made-ups, whereas import for the period Jan-Nov 2020 recorded a steep increase to US$ 24.26 billion, mainly because of huge increase in import of masks from China, which was exempted from additional tariff imposed by US on China.

India's share in made-up import into USA for the year 2019 was 21 %, however India's share has declined to 8.74 % for the period Jan-Nov 2020 due to sharp increase in total import from the base of US$ 11.83 billion in the year 2019 to US$ 24.26 billion in the first 11 months of the year 2020.

(Insert TABLE 2. here)

Table 2: Import of Textile & Clothing into USA & India's share (Value in Billion US$)

(Insert CHART 2. here)

Chart 2: Top ten suppliers of Made-ups to USA (January - November 2020)

Import from top ten supplying countries account for 96% of total import of made-ups into USA, as shown at Chart 2. China is the single largest supplier with 71 % market share. Sharp increase in import from China in the year 2020 over the previous year is mainly due to import of a large quantity of Covid19 related medical textiles including masks.

COUNTRY UPDATE

Market report on textile trade in USA

By N. Ravindranathan, Director, TEXPROCIL

Data Analysis:

Data analysis on import of cotton textile products into USA from all sources v/s from India is given in following Tables.

Import of cotton yarn into USA

(Insert TABLE 3. here)

Table 3: Import of Cotton yarn into USA from all sources

Of the top 10 HS lines of cotton yarn imported into USA from all sources, India is also supplying 9 out of 10 HS lines, albeit in different proportion as shown at Table 3 & 4.

(Insert TABLE 4. here)

Table 4: Import of Cotton Yarn into USA from India

Import of Cotton Fabrics into USA from all sources & from India

(Insert TABLE 5. here)

Table 5: Import of Cotton Fabrics into USA from all sources

Top 10 HS lines of cotton fabrics imported into USA Vs from India is given at Table 5 & 6. It may be observed that:

- Of the top 10 HS lines of cotton fabrics imported into USA from all sources, India is present in only 5 HS lines.
- Import under top 3 HS lines of cotton fabrics imported into USA account for US$ 831.79 million in which share of India is nil.
- There is a vast scope to increase export of coated, impregnated fabrics from India to USA.
- There is a mismatch in what the market need and what is exported from India. There may be various reasons including production capability, availability of technology etc. which need to be addressed.

(Insert TABLE 6. here)

Table 6: Import of Cotton Fabrics into USA from India

Import of Knitted Fabrics into USA

For the period Jan-November 2020, USA imported US$ 96 million worth of cotton knitted fabrics, of which import from India was valued at US$ 76 million India is the largest supplier of cotton knitted fabrics to USA with a market share of 79%.

(Insert CHART 3. here)

Chart 3: Cotton Knitted Fabrics top 10 suppliers to USA (Jan - Nov 2020)

Import of Cotton Made-ups into USA from all sources Vs from India

(Insert TABLE 7. here)

Table 7: Import of Cotton made-ups into USA from all sources

Import of Cotton Made-ups into USA from all sources & India are given at Table 7 & 8. It may be observed that:

- Of the top 10 HS lines of cotton made-ups imported into USA, India is also in the top 8 HS lines thereby indicating India is also supplying almost all the major products that are in demand in the US market.
- India is the top supplier of bed linen products to USA.
- There is a scope for increasing export of cleaning cloths such as dishcloth, floorcloths in addition to knitted bedlinen.

(Insert TABLE 8. here)

Table 8 : Import of Cotton Made-ups into USA from India

Way forward to increase export of cotton textiles from India to USA

As shown in above Tables, there is need for product diversification to supply what is required in the market thereby bridging the mismatch in export from India Vs import into USA from all sources.

Yarns for retail sale, covered under HS 5207 has a scope for increasing export from India to USA. Coated fabrics for various end uses, such as abrasive fabrics, tents, industrial filters have high potential for export from India.

USA imports over half a billion US$ worth of floorcloths and such made-ups for cleaning purpose, which offers a vast scope for increasing export from India.

Knitted bedlinen is over US$ 300 million business in USA offering scope for increasing export from India.

It is important to diversify into Fibre mix and product mix to meet with market demand and compete with other major supplying countries.

Source: NCTO, USA; GTA, Singapore; EoI, Washington.

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To view the full report along with Charts and Tables kindly visit the following link:

https://tinyurl.com/TEXPROCIL-US-textile-trade

List of major chain stores and importers in USA dealing with T&C is available at the following link:

https://tinyurl.com/TEXPROCIL-US-textile-importers

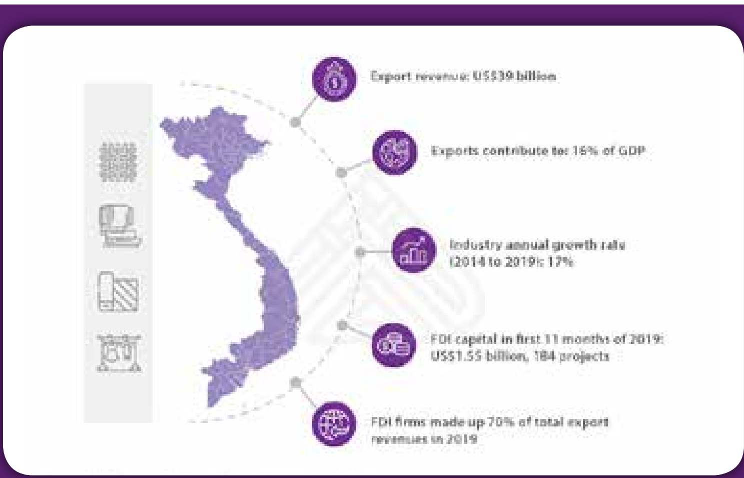
Disclaimer: Kindly verify credibility of buyers in the importers database at your own interest. The Council is not responsible for recent developments in their existence and credibility.

Kindly send your feedback and comments to TEXPROCIL on email : ravi@texprocil.org

COUNTRY UPDATE

Trade Opportunities in Vietnam's T&C sector

By Shailesh Martis, Joint Director, TEXPROCIL



Source: GSO, Vietnam Textile and Apparel Association (VITAS)

Vietnam is among the top five garmenting nations in the world with an export volume which was estimated at US$ 39 billion in 2019 and an average growth rate of approx. 10% every year. However due to the Corona pandemic, Vietnam could not sustain the average growth level over the years and for the first time posted a negative growth of almost 13% closing 2020 with approx. US$ 34 billion.

Vietnam was one of the first countries that reported nil deaths during the early part of the Corona Lockdown Phase. The lockdown was lifted on April 22 but even though the industry was slowly limping to normalcy, the retail shutdown and bankruptcy reported in various parts of EU as well the USA dried up garment orders for Vietnam. Job losses were reported widely across Vietnam with many small garmenting firms shutting down despite the financial stimulus offered by the Government.

Those companies that were still running, shifted their production from garments to making PPE kits and masks. It was only later in the year that orders slowly started picking up but not before Vietnam lost 13% in its export target.Due to the large volume of conversion to finished garments, Vietnam depends on import for raw materials viz. yarns and fabrics. China is the bulk supplier of textiles to Vietnam with over 60% market share followed by Korea and Taiwan.

In 2019, India's share in cotton yarns was about 23%, while its share in the fabric exports to Vietnam is below 1%. China and Korea have made significant investments in Vietnam with the anticipation of meeting the stringent "Yarn Forward" Rule of Origin in the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP). Although US withdrew from the initially conceptualised Trans Pacific Partnership (TPP), the balance 11 countries under the erstwhile TPP have now ratified and signed the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP).

Trade deals including the EU-Vietnam Free Trade Agreement (EVFTA) and the CPTPP continue to make Vietnam an attractive destination for investors. FDI projects in Vietnam's textile industry in the first eight months of 2020 declined 86.3 per cent to a value of $19.54 billion. The country's success in fighting off the novel coronavirus may encourage investment and having more FDI projects also means faster and stronger localization of textile productions as the country must stay on course with product origin commitments.

While opportunities are available for businesses to participate in value chains, Vietnam's support industries remain underdeveloped as the local firms are not willing to make greater investments to join the global value chain.

US-China Trade Dispute: Advantage Vietnam

The trade dispute between the US and China has had a cascading effect on Vietnam. Vietnam's exporters have seen an increasing demand for their products, especially garments and textiles and Vietnam has emerged as an alternative to China for investors benefitting from the China plus one strategy that involves investors shifting or expanding to other countries to increase market access.

It is important to note that this was already happening as Vietnam offered the most cost-competitive China alternative for general manufacturing in Asia, but the trade war only accelerated the process.

Notable advantages such as a relatively efficient and stable governing structure, regulatory and some cultural familiarity for companies accustomed to doing business in China, highly competitive labor costs, business-friendly tax profile along with generous incentives, and proximity to pre-existing Asian supply chains all worked in favour of Vietnam for foreign investors. These advantages further strengthen Vietnam's competitive allure for FDI, especially for US business as US firms operating in China are slowly shifting their manufacturing activities to Southeast Asia, especially Vietnam.

Import of fabrics

Although Vietnam is a leading garment exporting nation it depends on fabric imports for most of its apparel production. In 2019, Vietnam imported up to 89% of fabrics, of which, 55% were from China, 16% from South Korea, 12% from Taiwan, and 6% from Japan.

In value terms, Vietnam imported about US$ 17 billion worth of fabrics (of all types of fibres), of which import from India was just over US$ 100 million (only 0.60% market share). Indian textile products, despite being competitive and of high quality have found it difficult to penetrate the market especially in fabrics.

Fabric is the largest component within the cotton textile basket which Vietnam imports from the world. The top 3 items imported are knitted fabrics which account for 25% i.e. US$ 4.25 billion of the total import of fabrics into Vietnam.

Please click here for the detailed import of fabrics into Vietnam (HS item wise)

COUNTRY UPDATE

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The other aspect of Vietnamese import of fabrics is that almost 75% of the fabric requirement is on “Nomination basis” and sourced mainly from China and Korea.

Vietnam and FTAs

Vietnam has over the last few years signed some very strategic and significant Free Trade Agreements (FTAs) of which the latest is the EVFTA. Vietnam has ensured a wide geographical coverage of many countries through its FTA push, either bilaterally or as part of the ASEAN group of nations.

Although Vietnam is very strong in the production of garments through its best manufacturing practices, it depends largely on imported fabric to meet its apparel demand and in order to comply with the Rules of Origin of the FTAs.

Vietnam is also a part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Cooperation Economic Partnership (RCEP). However, the Regional Comprehensive Economic Partnership (RCEP) will make it easier for textile businesses to exploit the benefits of existing agreements and promote regional production chains.

With the EVFTA having entered into force, 70 percent of Vietnamese exports will now enter the EU’s 26 member states duty free, while the remaining tariff lines’ items will be reduced gradually over seven years.

Moreover, the domestic Vietnamese textile and garment sector must be proactive to use import materials from countries that have signed FTAs with Vietnam and the EU, therefore making use of preferential tariffs due to flexible rules of origin stated within the EVFTA, which otherwise is a “Fabric Forward” rule. For example, Korea has a FTA with Vietnam as well as the EU and so garments manufactured in Vietnam from Korean fabrics can enter the EU duty free. For all other requirements the fabric should necessarily be produced in Vietnam or any of the EU states.

For RCEP, the textile and garment industry will open up a large market with less stringent commitments and more favourable requirements than the EVFTA and the CPTPP.

Issues of concern for Indian exports to Vietnam

Tariff related:

Tariffs play an important role in exports to Vietnam as other ASEAN countries, China and Korea have duty free access compared to India.

At present the tariff for exports from India to Vietnam is covered under the Indo-ASEAN FTA, where yarns are duty free except for 7 HS lines which are still in the Sensitive List at 5% with no further reduction.

The HS lines of cotton yarn which are still at 5% are

1) 52051100 – upto Count 8
2) 52051200 – Counts 8 to Count 25
3) 52051300 – Counts 25 to Count 31
4) 52052200– Counts 8 to Count 25
5) 52061100– upto Count 8
6) 52061200– Counts 8 to Count 25
7) 52061300– Counts 25 to Count 31

Fabrics are currently at an average tariff of approx. 7.5%. There are many fabric HS lines which are duty free while the rest are either in Sensitive List or Exclusion List under the FTA.

Please click here for the fabric HS lines which are duty free from 2019

The current fabric HS lines are either in the Sensitive Category i.e. tariff will be at 5-6% with no further reduction or in the Exclusion Category i.e. tariff will be at 12% which is the base MFN rate.

Please click here for the list of the fabric HS lines in Sensitive and Exclusion List

Lead time:

The transit time for Indian goods to reach Vietnam is a key concern as products from China, Korea and other ASEAN nations reach within a reasonable short span of time due to geographical proximity. Hence for any new designs or patterns the goods reach much faster making the purchase cycle of the Vietnamese manufacturer more efficient.

In case of India, the vessels are regular but take time to reach the destination as they are linked/go through transit destinations/ports. Direct shipping lines to Vietnam will help in reducing the overall lead time thereby reaching the Vietnamese factories on time.

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POLICY SPEAKS

POLICY & PROCEDURES UPDATE

By A. Ravi Kumar, Joint Director, TEXPROCIL

Implementation of the RODTEP Scheme

The RODTEP (Remission of Duties and Taxes on Exported Products) Scheme has been implemented from 1st January 2021. Necessary changes in the System have been made by the Customs to accept and process RODTEP claims.

Objective of the RODTEP Scheme

The objective of the RODTEP scheme is to refund all those taxes/ duties/ levies, at the central, state and local level, which are currently not being refunded under any other mechanism, but which are incurred in the process of manufacture and distribution of exported products.

RODTEP Rates

The RODTEP rates would be notified shortly by the Department of Commerce, based on the recommendation of a Committee consisting of Dr. G. K. Pillai (Chairman), Shri Gautam Ray and Shri Y. G. Parande. The notified rates, irrespective of the date of Notification, shall be applicable with effect from January 1, 2021 to all eligible exports of goods. RoDTEP rates will be notified as per the RITC Code and there will be no separate codes as in the case of Duty Drawback.

Dummy RODTEP Rates appearing on the Shipping Bills

Exporters are getting RODTEP amounts mentioned on their Shipping Bills. This is only notional and calculated at dummy rates, since the final rates are not yet notified. The actual RODTEP benefit will be available to the exporters once the rates are notified.

Mechanism for Refund under the Scheme

The refund would be credited in an exporter's ledger account with the Customs. Such credits can be used to pay Basic Customs duty on imported goods. Credits can also be transferred to other importers.

Procedure to be followed by the exporters

(i) W.e.f. 01.01.2021, it is mandatory for the exporters to indicate on their Shipping Bills whether or not they intend to claim RODTEP on the export items. RITC codes should mentioned on the Shipping Bills. There will be no need to declare any separate code or schedule serial number for RODTEP.

(ii) RODTEPY should be specifically mentioned on the Shipping Bills.

(iii) Once EGM is filed, claim will be processed by the Customs.

(iv) Once processed, a scroll with all individual Shipping Bills for admissible amount would be generated and made available in the users account at ICEGATE.

(v) Exporters can create RODTEP credit ledger account under Credit Ledger tab. This can be done by the IEC holders who have registered on the ICEGATE.

(vi) Exporters can log in into his account and generate scrip after selecting the relevant shipping bills.

Precautions to be taken by the exporters

(i) If RODTEPY is not specifically claimed in the Shipping Bill, no RODTEP would accrue to the exporter. Once the rates are notified, System would automatically calculate the RODTEP amounts for all the items where RODTEPY was claimed.

(ii) No changes in the claim will be allowed after the filing of the EGM.

Operation of RMS while Processing of the RODTEP claims

(a) The Shipping Bills with RODTEP and/or Drawback claim will be routed for officer intervention based on Risk based targeting by RMS. All the Shipping Bills will be sent to RMS after the EGM is filed. Based on the input by RMS, Shipping Bills will either come to officer for processing of RODTEP/ DBK benefits or will directly be facilitated to the scroll queue without any officer intervention.

(b) Once the Shipping Bill is processed for DBK and/or RODTEP either by the officer or as per facilitation by RMS, it will move to the respective scroll queues. In case a suspension is placed on any exporter/Shipping Bill for Drawback, the same will also be applicable for the purpose of scrolling out of RODTEP benefits.

Non-availability of RODTEP to certain categories of exporters

(i) Products exported under the Advance Authorization Scheme and by 100% EOUs are not eligible for benefits under the RODTEP scheme.

(ii) Export products on which job work has been carried out are not eligible under the RODTEP scheme.

Advisory to SEZ Units

SEZ units should file the following declaration in the remark column while filing the Shipping Bills:

"Shipping filed under RODTEP scheme if applicable to SEZ units and subject to such conditions as prescribed including the product coverage".

In such cases, the goods shall be examined by the Customs so that in case exports from SEZ units are covered under the RODTEP scheme, such exports may be taken into account under the RODTEP scheme.

Important Advisory to the exporters of Cotton Textiles Products

Government has decided to extend the benefit of the RODTEP to all export goods with effect from January 1, 2021. It is, therefore, advisable that exporters of Cotton textiles products such as Cotton Yarn, Fabrics, Made ups and Raw Cotton should claim RODTEP while filing the Shipping bills.

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POLICY SPEAKS

POLICY & PROCEDURES UPDATE

By A. Ravi Kumar, Joint Director, TEXPROCIL

FAQs on "Communication between Recipient and Supplier Taxpayers" under GST

1. What is "Communication between Taxpayers" functionality?

"Communication between Taxpayers" functionality facilitate in sending and receiving Notifications to /from another taxpayer.

2. Which categories of taxpayers are eligible to use "Communication Between Taxpayers" facility?

All taxpayers except TDS, TCS and NRTP taxpayers are eligible to use "Communication Between Taxpayers facility". TDS, TCS and NRP taxpayers will not be able to see the link "Communication Between Taxpayers under the Services tab".

3. Can I send a Notification to other taxpayer from GST Portal?

Yes, you can send Notification to other taxpayer from GST Portal. Navigate to Services > User Services > Communication Between Taxpayers > Compose option, which will facilitate in sending notifications to another taxpayer.

4. Is there any intimation that will go to other taxpayer once the Notification is sent?

Yes, the Recipient/Supplier will receive an e-mail on his registered e-mail address and an SMS will also be triggered to his registered mobile number for all notifications sent or received. Also, an alert will be shared on GST portal.

5. Can I view the notification sent to other taxpayer from GST Portal?

Yes, you can view the notification sent to Recipient/Supplier from GST Portal. Navigate to Services > User Services > Communication Between Taxpayers > Outbox (Notification & Reply Sent) option, which will facilitate in viewing notifications sent to other taxpayer.

6. Can we select multiple rows in Rate table for one particular invoice while sending a notification?

Yes, multiple rows can be added in Rate table for one particular invoice while sending a notification.

7. What is the maximum number of notifications which can be sent to same GSTIN (counterparty) in same financial year with same tax period by a taxpayer.

A taxpayer is not allowed to send more than <100 > Notifications if he is sending Notification to same GSTIN (counterparty) in same financial year with same tax period.

8. Can I view Notifications issued by Recipient/Supplier at the GST Portal?

Yes, you can view notifications issued by Recipient/Supplier at the GST Portal. Navigate to Dashboard > Services > User Services > Communication Between Taxpayers > Inbox (Notification & Reply Received) option to view the notifications issued by Recipient/Supplier at the GST Portal.

9. Can I reply to Notifications issued by Recipient/Supplier at the GST Portal?

Yes, you can reply to notifications issued by Recipient/Supplier at the GST Portal. Navigate to Dashboard > Services > User Services > Communication Between Taxpayers > Inbox (Notification & Reply Received) option to View and Reply/Take Action on the notifications received from Recipient/Supplier at the GST Portal.

10. Can I upload the missing documents directly on GST Portal?

Yes, you can upload the missing documents directly on GST Portal under Upload to GSTR-1 option.

11. Can I upload and download the documents while sending notifications?

No, you cannot upload and download the documents while sending notifications.

12. How many documents can be manually added for a particular Notification?

Fifty documents can be manually added for a particular notification.

13. Can I view the reply for notification sent to Recipient/Supplier at the GST Portal?

Yes, you can reply for notifications sent to Recipient/Supplier at the GST Portal. Navigate to Dashboard > Services > User Services > Communication Between Taxpayers > Outbox (Notification & Reply Sent) option to view the reply sent to Recipient/Supplier at the GST Portal.

14. Is an alert sent to Recipient/Supplier on GST portal when Notifications/replies are received by counterparty?

Yes, an alert will be given to Recipient/Supplier on logging to the GST portal if there are any new notifications/replies received.

15. Is an email or SMS sent to Recipient/Supplier when a Notification is received or sent to counterparty?

Yes, the Recipient/Supplier will receive an e-mail on his registered e-mail address and an SMS will also be triggered to his registered mobile number for all notifications sent or received.

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POLICY SPEAKS

POLICY & PROCEDURES UPDATE

By A. Ravi Kumar, Joint Director, TEXPROCIL

Landmark Labour Reforms to reshape India's Industrial Growth

Three Labour Code Bills were passed by Parliament on September 23, 2020 as part of the landmark Labour Reforms. These three Code Bills are as follows:

(i) The Industrial Relations (IR) Code , 2020

(ii) The Occupational Safety, Health and Working Conditions Code, 2020

(iii) The Code on Social Security, 2020.

The Government has merged 24 Central laws under these three codes. The Government has now merged totally 29 Central laws into four codes. Earlier, Parliament had passed the first of the codes – The Wage Code – in August 2019.

Need for Labour Reforms

India is projected to have the largest working population in the world between 2022 and 2034 with 10 million youth entering the job market every year. Therefore, the inflexibilities and the rigidities in the exiting Labour laws need to be removed. Further, both Indian and foreign entrepreneurs are encouraged to invest in countries like China and Vietnam where Labour laws are more investor friendly and are not restrictive. The passing of the 3 Labour codes are, therefore, the need of the hour and in in the right direction.

The Industrial Relations (IR) Code, 2020

The IR code has introduced new rules for hiring and firing of labour in mid-sized and large industrial units. Under this code, companies with up to 300 workers are allowed to fire workers or shut manufacturing units without prior approval of the Government.

The IR code, 2020 has also laid down new conditions on the right of workers to go on strike. Trade Unions will now have to give 6o days strike Notice. In case proceedings are pending before a Labour Tribunal, workers cannot go on strike for 60 days after those are concluded. These conditions now apply to all industries. Earlier, workers could go on strike by giving between two weeks and six weeks of notice. Flash strike have now been outlawed.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 empowers State Governments to exempt any new factory from the provisions of the Code in order to create more economic activity and jobs . It has fixed the minimum daily working hours at eight hours. Women will be entitled to be employed in all establishments for all types of work. In case they are required to work in hazardous activity, the Government will require the employer to ensure that adequate safeguards have been instituted prior to such employment.

Code on Social Security

Code on Social security, 2020 promises universal social security for the first time for both formal and informal sectors. The Government shall formulate and notify suitable welfare schemes, including schemes related to Provident Fund (PF), employment accident and injury benefit, housing, educational schemes for children, skill upgradation programmes, funeral assistance and old age homes. The Government can tap into Corporate Social Responsibility (CSR) Funds or any other such source as may be specified. A National Social Security Board (NSSB) will be set up to recommend to the Government suitable schemes for unorganized workers.

Benefits to the workers

Workers will benefit as opportunities for re-skilling and getting absorbed in other enterprises will be widely available.

World Bank Assessment

The World Bank has estimated that India can add 2.8 million good quality formal sector jobs in case market forces of labour supply and demand are allowed to play out.

Benefits to the Companies

Stringent labour rules for firms with over 100 workers makes it virtually impossible to lay off workers. This has discouraged small firms to scale up and increase production capacity. The new Labour codes have changed this as small companies can now have plans to scale up production facilities. This will have a very positive impact on the functioning of the companies and employment generation in the long term.

In addition, all those Companies that are bearing high labour costs and its consequent pressure on the balance sheet can now downsize its workforce instead of quitting from their business.

The Impact of these Labour Codes on the economy

Experts believe that the impact of these codes may not be felt immediately when the economy is under the process of recovering from the crisis on account of COVID-19. The positive impact will be felt in the long run in terms of industrial expansions and increase in investments in the manufacturing sector.

The new Labour codes are transparent and easy to comply by the industry. These Labour reforms will make Indian industry more competitive and will give a boost to the "Make in India" initiative. Further, in the long term, these labour reforms will create more jobs as the economy recovers from COVID-19. Jobs created will be much more than the jobs lost on account of COVID-19.

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POLICY SPEAKS

POLICY & PROCEDURES UPDATE

By A. Ravi Kumar, Joint Director, TEXPROCIL

Changes in Customs Law and Procedure

CBIC (Central Board of Indirect Taxes and Customs) has launched the "Turant Customs" initiative aimed to facilitate "Ease of Doing Business". The objective of the initiative is to move towards Faceless, Paperless and Contactless Customs Measures. Under this, importers will now get their goods cleared from Customs after a faceless assessment done remotely by the Customs officers located outside the port of import.

Faceless Assessment on Import

Faceless Assessment of import cargos was launched throughout the country on October 31, 2020.

Alignment of data with GSTN

CBIC has also mandated exporters and importers to declare the GSTINs on the import and export documents from February, 2020. This has been done with the purpose of alignment of data with GSTN and to capture district / state data for promotion of exports. CBIC is also in the process of putting in place more initiatives under the "Turant Customs" programme with measures such as automated clearances of export consignments, implementation of tamper-proof packing of samples and their electronic tracking.

Progressing towards "Make in India"

CBIC has launched a revamped and streamlined program to attract investments into India and strengthen "Make in India" through a scheme under the Customs Act, 1962. As per Section 65 of the Customs Act, 1962 "manufacturing and other operations can be carried out in a Customs Bonded Warehouse. The scheme has been simplified by the introduction of the "Manufacture and Other Operations in Special Warehouse Regulations, 2020 and the issue of CBIC Circular No. 36/2020 dated 17.08.2020. A single digital account has been prescribed for ease of doing business and easy compliance.

Strict compliance Norms introduced for imports under FTAs

In order to fulfill the gaps in Operational Procedures under Rules of Origin of various Free Trade Agreements (FTAs) and effectively implement preferential treatment of good under FTAs, Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020) have been notified with effect September 21, 2020. The new provisions provide for a basic level of due diligence on the part of an importer to satisfy himself that the criteria of Rules of Origin have been met, and that mere submission of a Certificate of Origin (COO) may not be sufficient. CAROTAR has specifically laid down certain obligations on the importer and has prescribed for time bound verification from exporting countries in case of doubt. Pending verification, preferential benefits will be suspended and goods shall be cleared only on furnishing security equal to the differential duty. In certain cases, the preferential rate of duty may be denied without further verification. This would go a long way in checking the import of third – country goods by misusing the Rules of Origin provisions under the FTAs.

Changes in Basic Customs Duty (BCD)

(i) Customs duty structure to encourage domestic value addition

The Customs duty rate structure are being guided by a conscious policy of the Government to incentivize domestic value addition under "Make in India " and "Atmanirbhar Bharat" initiatives which envisages imposition of lower duty on raw materials and providing reasonable tariff support of goods being manufactured in India. Accordingly, the Most Favoured Nation (MFN) rates of Basic Customs Duty (BCD) have been increased in recent years on such items which are being manufactured in India or which domestic industry has got the potential to manufacture. Accordingly, during the last 6 years, about 4000 tariff lines (approximately 1/3rd of total tariff lines) have seen an upward calibration of BCD. At the same time, duties on inputs and raw materials have been rationalized.

(ii) MFN rates increased protect domestic manufacturing

The Customs duty structure is calibrated as and when required in consultation with the line Ministries and trade bodies to incentivize domestic value addition and promote "Make in India" scheme in case of manufactured goods. An analysis of the Import data for 2018-19 made to identify those manufactured items where there is a surge in imports have revealed that imports under FTAs have increased significantly. Although MFN rates of duties on a large number of intermediate and finished goods had increased over the last few years to protect the domestic manufacturing industry from cheap imports, it is observed that in the case of a large number of commodities where the applied rate of customs duty have been increased, large volume of imports have started coming into the country through the FTA partners of India. Concerted and adequate efforts, therefore, need to be taken to remove instances of inverted duty structure on imports..

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Avail of more detailed information on
EXIM POLICY @ TEXPROCIL
Please Contact: GREIVANCE REDRESSAL CELL
email: ravikumar@texprocil.org

TRADE DATA

TEXPROCIL Analysis of Textiles & Clothing for JANUARY 2021

As per the quick estimates released by Ministry of Commerce, Cotton Textile exports reached a level of USD 974 million in January 2021 marking a growth of 7.08 per cent against the corresponding month of January 2020, wherein exports were valued at USD 909 million.

In rupee terms, exports during the month of January 2021 reached a level of Rs. 7,117 cr. as against Rs. 6,484 Cr. in January 2020 recording a growth of 9.77 per cent in rupee terms.

Exports of cotton textiles during the period April – January 2021 have shown a decline of (-) 8.16% reaching a level of USD 7.76 billion over the previous year with exports of USD 8.45 billion during the period April – January 2020. The decline of 8% is mainly because of steep falls in April/May.

It may also be noted that exports of cotton textiles have shown positive growth from June 2020 onwards till January 2021.

India's Cotton Textiles Export Update for FY (April – January) 2020-21

Exports	Values in Million USD				% Change	
Commodities	**JAN'20**	**APR'19 -JAN'20**	**JAN'21**	**APR'20 -JAN'21**	**JAN'21**	**APR'20 -JAN'21**
Cotton Yarn/Fabs./made-ups, Handloom Products etc.	909	8,452	974	7,763	7.08%	-8.16%
Man-made Yarn/Fabs./made-ups etc.	449	4,042	406	2,927	-9.62%	-27.58%
RMG of all Textiles	1,451	12,896	1,296	9,495	-10.73%	-26.37%
Jute Mfg. including Floor Covering	31	292	39	285	27.68%	-2.58%
Carpet	119	1,176	147	1,195	23.69%	1.59%
Handicrafts excl. handmade carpet	149	1,516	180	1,353	21.09%	-10.76%
Textiles	1,657	15,479	1,746	13,523	5.38%	-12.64%
Apparel	1,451	12,896	1,296	9,495	-10.73%	-26.37%
Textiles & Apparel	**3,109**	**28,374**	**3,042**	**23,018**	**-2.14%**	**-18.88%**
All Commodities	25,853	264,128	27,447	228,249	6.16%	-13.58%
% Share of T&C in Total Exports	12.0%	10.7%	11.1%	10.1%		

Exports	Values in Rs. Crores				% Change	
Commodities	**JAN'20**	**APR'19 -JAN'20**	**JAN'21**	**APR'20 -JAN'21**	**JAN'21**	**APR'20 -JAN'21**
Cotton Yarn/Fabs./made-ups, Handloom Products etc.	6,484	59,588	7,117	57,623	9.77%	-3.30%
Man-made Yarn/Fabs./made-ups etc.	3,203	28,503	2,968	21,715	-7.35%	-23.81%
RMG of all Textiles	10,351	90,837	9,473	70,431	-8.48%	-22.46%
Jute Mfg. including Floor Covering	220	2,060	288	2,109	30.86%	2.37%
Carpet	847	8,294	1,074	8,864	26.80%	6.87%
Handicrafts excl. handmade carpet	1,063	10,689	1,319	10,027	24.14%	-6.19%
Textiles	11,817	109,134	12,767	100,338	8.04%	-8.06%
Apparel	10,351	90,837	9,473	70,431	-8.48%	-22.46%
Textiles & Apparel	**22,168**	**199,971**	**22,240**	**170,769**	**0.32%**	**-14.60%**
All Commodities	184,370	1,861,741	200,661	1,696,367	8.84%	-8.88%
% Share of T&C in Total Exports	12.0%	10.7%	11.1%	10.1%		

Imports	Values in Million USD				% Change	
Commodities	**JAN'20**	**APR'19 -JAN'20**	**JAN'21**	**APR'20 -JAN'21**	**JAN'21**	**APR'20 -JAN'21**
Cotton Raw & Waste	35	1,254	53	311	50.28%	-75.21%
Textile yarn Fabric, made-up articles	178	1,689	179	1,154	0.77%	-31.64%

Imports	Values in Rs. Crores				% Change	
Commodities	**JAN'20**	**APR'19 -JAN'20**	**JAN'21**	**APR'20 -JAN'21**	**JAN'21**	**APR'20 -JAN'21**
Cotton Raw & Waste	253	8,831	390	2,316	54.05%	-73.77%
Textile yarn Fabric, made-up articles	1,270	11,904	1,312	8,565	3.31%	-28.05%

Source: DGCIS/MOC

TRADE DATA

Import Tariff on Cotton textiles (Yarn, Fabric, Madeups) in major importing countries

Average Tariff rates (%) on import of cotton yarn in different markets

Importing Countries	Top 5 Exporting Countries				
	India	Vietnam	China	Pakistan	United States
China	3.50% (APTA)	0%		0%	5%
South Korea	8%	0%	8%	8%	0%
Vietnam	0 to 5%	---	5%	0%	5%
EU (27)	4%	0%	4%	0% (GSP+)	4%
Japan	0%	0%	5.60%	4.48%	5.60%
Guatemala	5%	5%	5%	5%	0%
EI Salvador	5%	5%	5%	5%	0%
Peru	6%	6%	6%	6%	0%
Pakistan	5% (SAFTA)	11%	5%		11%
United States	3.70%	3.70%	3.70%	3.70%	--
Sri Lanka	0%	0%	0%	0%	0%
Thailand	0%	0%	0%	5%	5%
Malaysia	6%	0%	10%	0%	10%
Mexico	10%	10%	10%	10%	0%
Mauritius	0%	0%	0%	0%	0%

Remarks: Above Table gives an idea of average import tariff. There may be minor change depending on exact HS codes

Average Tariff rates (%) on import of cotton fabrics in different markets

Importing Countries	Top Exporting Countries									
	China	India	Pakistan	Vietnam	South Korea	Taiwan	Japan	Turkey	USA	EU27
Bangladesh	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Sri Lanka	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Vietnam	5%	7.50%	12%	-	0%	12%	0%	12%	12%	12%
S Korea	4%	0%	10%	0%	-	10%	10%	0%	0%	0%
China	-	8%	0%	0%	0%	0%	8%	8%	8%	8%
Indonesia	0%	5%	0%	0%	0%	10%	0%	10%	10%	10%
Hong Kong	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Cambodia	0%	5%	7%	0%	5%	7%	7%	7%	7%	7%
Mexico	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
USA	8.40%	8.40%	8.40%	8.40%	0%	8.40%	8.40%	8.40%	-	8.40%
Turkey	8%	8.00%	6.40%	6.40%	0%	8%	8%	-	8%	0%
EU27	8%	8.00%	0%	0%	0%	8%	0%	0%	8%	-

Remarks: Above rates are average tariff and there may be minor variation for exact HS codes. These tariffs are applicable only if imported fabrics are meant for domestic consumption

Average Tariff rates (%) on import of cotton madeups in different markets

Exporting Countries	Importing Countries							
	EU27+ UK	USA	UAE	Canada	Japan	S. Korea	Mexico	Russia	Australia
China	12	6 to 14.9	5	18	4.5 to 9.1	5.2	20 to 25	3.8 to 15	0
India	9.6	6 to 14.9	5	18	0	0	20 to 25	3.8 to 15	5
Pakistan	0	6 to 14.9	5	18	0 to 9.1	13	20 to 25	3.8 to 15	5
Bangladesh	0	6 to 14.9	5	0	0	0	20 to 25	3.8 to 15	0
Vietnam	9.6	6 to 14.9	5	0	0	0	20 to 25	3.8 to 9.1	0
Mexico	0	0	5	0	0	13	-	3.8 to 15	5
Thailand	12	6 to 14.9	5	18	0	0	20 to 25	3.8 to 15	0
Turkey	0	6 to 14.9	5	18	0 to 9.1	0	20 to 25	3.8 to 15	5
Taiwan	12	6 to 14.9	5	18	4.5 to 9.1	13	20 to 25	3.8 to 15	5
S Korea	0	0	5	0	4.5 to 9.1	-	20 to 25	3.8 to 15	0

Source: Global Market Access | :: TEXPROCIL ::

TRADE DATA

Cotton Textiles Export Data (April-December 2020)

During the period April – December 2020, exports of cotton textiles from India declined by (-) 2.4% to a level of USD 8.00 billion from USD 8.20 billion value in exports recorded in the same period previous year.

The data on exports of cotton textiles presented hereforth gives an account of month over month progress in exports achieved by India.

Commodity	April - December		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	8201.23	8004.87	100.00	-2.4%
Cotton Yarn	1996.47	1918.67	24.0%	-3.9%
Cotton Fabrics	1859.41	1583.44	19.8%	-14.8%
Cotton Madeups	3816.85	3472.40	43.4%	-9.0%
Raw Cotton	528.48	1030.36	12.9%	95.0%

Commodity	April		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	942.18	139.40	100.00	-85.2%
Cotton Yarn	266.13	52.64	37.8%	-80.2%
Cotton Fabrics	196.68	20.87	15.0%	-89.4%
Cotton Madeups	410.74	53.32	38.2%	-87.0%
Raw Cotton	68.63	12.57	9.0%	-81.7%

Commodity	May		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	941.82	506.14	100.00	-46.3%
Cotton Yarn	241.13	153.82	30.4%	-36.2%
Cotton Fabrics	208.87	99.94	19.7%	-52.2%
Cotton Madeups	441.63	204.60	40.4%	-53.7%
Raw Cotton	50.19	47.78	9.4%	-4.8%

Commodity	June		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	815.44	853.99	100.00	4.7%
Cotton Yarn	188.45	245.36	28.7%	30.2%
Cotton Fabrics	199.10	174.06	20.4%	-12.6%
Cotton Madeups	403.62	336.40	39.4%	-16.7%
Raw Cotton	24.27	98.17	11.5%	304.5%

Commodity	July		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	874.86	1003.98	100.00	14.8%
Cotton Yarn	185.88	255.31	25.4%	37.3%
Cotton Fabrics	204.88	208.18	20.7%	1.6%
Cotton Madeups	453.33	432.09	43.0%	-4.7%
Raw Cotton	30.76	108.39	10.8%	252.4%

Commodity	August		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	872.66	935.08	100.00	7.2%
Cotton Yarn	199.98	234.60	25.1%	17.3%
Cotton Fabrics	206.77	193.52	20.7%	-6.4%
Cotton Madeups	438.82	421.19	45.0%	-4.0%
Raw Cotton	27.09	85.77	9.2%	216.6%

Commodity	September		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	843.65	1086.62	100.00	28.8%
Cotton Yarn	195.00	239.35	22.0%	22.7%
Cotton Fabrics	208.26	216.37	19.9%	3.9%
Cotton Madeups	414.74	518.93	47.8%	25.1%
Raw Cotton	25.65	111.97	10.3%	336.5%

Commodity	October		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	909.61	1107.71	100.00	21.8%
Cotton Yarn	221.26	227.25	20.5%	2.7%
Cotton Fabrics	216.50	226.72	20.5%	4.7%
Cotton Madeups	435.51	514.63	46.5%	18.2%
Raw Cotton	36.34	139.11	12.6%	282.8%

Commodity	November		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	914.39	1131.92	100.00	23.8%
Cotton Yarn	245.55	239.29	21.1%	-2.5%
Cotton Fabrics	196.75	206.54	18.2%	5.0%
Cotton Madeups	375.88	472.45	41.7%	25.7%
Raw Cotton	96.21	213.64	18.9%	122.0%

Commodity	December		% Share	% Change
	2019	2020	2020	2020/2019
Cotton Textiles	1086.62	1240.04	100.00	14.1%
Cotton Yarn	253.09	271.04	21.9%	7.1%
Cotton Fabrics	221.61	237.24	19.1%	7.1%
Cotton Madeups	442.58	518.79	41.8%	17.2%
Raw Cotton	169.34	212.96	17.2%	25.8%

Monthly Cotton Yarn Exports Update for (April 2020-January 2021)

- India's cotton yarn exports in value terms reached a level of USD 2,183 million marking a decline of (-) 4.3% as compared to the same period in the previous fiscal year.
- India's cotton yarn exports reached a level of USD 824 Million Kgs in 2020-21, as compared to 790 Million Kgs in 2019-20 marking a growth of 4.4% in quantity terms.

For data on **Cotton Yarn** kindly refer to tables on the following page, email to: ravi@texprocil.org

TRADE DATA

Monthly Cotton Yarn Exports Update (April 2020-January 2021)

India's Export of Cotton Yarn – Value

Month	2019-20	2020-21	% Change
	Million US $		2020
April	266	53	-80.2%
May	241	154	-36.2%
June	188	245	30.2%
July	186	257	38.0%
August	200	235	17.7%
September	195	241	23.5%
October	221	228	2.8%
November	246	239	-2.6%
December	253	271	7.1%
January	284	260	-8.5%
(Apr - Dec)	2281	2183	-4.3%

India's Export of Cotton Yarn – Quantity

Month	2019-20	2020-21	% Change
	Million Kgs		2020
April	90	18	-79.6%
May	77	59	-23.6%
June	59	99	66.3%
July	60	103	71.5%
August	68	94	37.7%
September	67	95	41.2%
October	80	88	9.8%
November	91	89	-2.7%
December	92	94	1.8%
January	104	85	-17.6%
(Apr - Dec)	790	824	4.4%

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(Source of Data: GTA / Ministry of Commerce)

TRADE ENQUIRY

Enquiries for Indian Cotton Textile Products

Company Name & Contact Person

KS Seguridad Industrial
Chile
Roberto Valdivia Z.
Purchase Manager

Contact Details

Email: rvaldivia@ksltda.cl
Website: www.ksltda.cl
Tel: +569 64716622 / +562 25553343

Items of Interest

Sourcing for Indian suppliers of denim fabrics. Importer needs these fabrics for the production of trousers and jackets

Company Name & Contact Person

Sisili Projects (Pvt) Limited,
No. 05, Rheinland Place,
Colombo 03, Sri Lanka
Mr. Susiri Kumararatne
Director

Contact Details

Email: susiri@sisiliprojects.com
Tel: +94 112 576050 / +94 112 575175

Items of Interest

Purchase of Cotton Yarn from India
- **40 single 100% Cotton grey yarn**
- **1.85 Kgs per corn**
- **Annual requirement is 360,000 KGs**
- **Port of delivery: Colombo, Sri Lanka**

Company Name & Contact Person

Ms. Elena Ruiz,
Spanish designer
Madrid,
Spain

Contact Details

Email: eruizmirete@gmail.com
Ana Sotelo: 660325055
Élena Ruiz: 629611696

Items of Interest

Interested to source cotton and silk fabric with ethnic designs or otherwise, urgently for her spring / summer collection.

Company Name & Contact details

Guillermo Quijano
Movil 57 3103965800
Medellin, Colombia

Contact Details

Email: gaquijano@hotmail.com

Items of Interest

Viscose Tencel 1.4 X 38 A 100 Yarn

DISCLAIMER

Kindly verify credibility of buyers in the importers database at your own interest. The Council is not responsible for the status of their existence and recent developments in their credibility.

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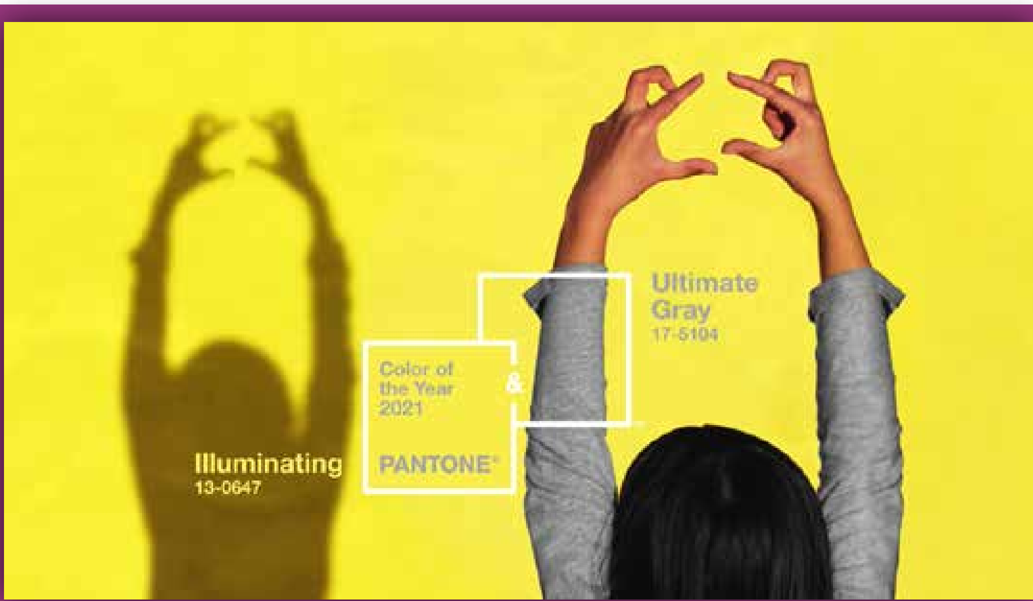
DESIGN CORNER

Pantone announces 'Color of the Year 2021'



PANTONE 17-5104
Ultimate Gray
+
PANTONE 13-0647
Illuminating

A marriage of color conveying a message of strength and hopefulness that is both enduring and uplifting !

PANTONE 17-5104 Ultimate Gray + PANTONE 13-0647 Illuminating, two independent colors that highlight how different elements come together to support one another, express the mood for Pantone Color of the Year 2021.

Practical and rock solid but at the same time warming and optimistic, the union of PANTONE 17-5104 Ultimate Gray + PANTONE 13-0647 Illuminating is one of strength and positivity. It is a story of color that encapsulates deeper feelings of thoughtfulness with the promise of something sunny and friendly.

A message of happiness supported by fortitude, the combination of PANTONE 17-5104 Ultimate Gray + PANTONE 13-0647 Illuminating is aspirational and gives us hope. We need to feel that everything is going to get brighter – this is essential to the human spirit.

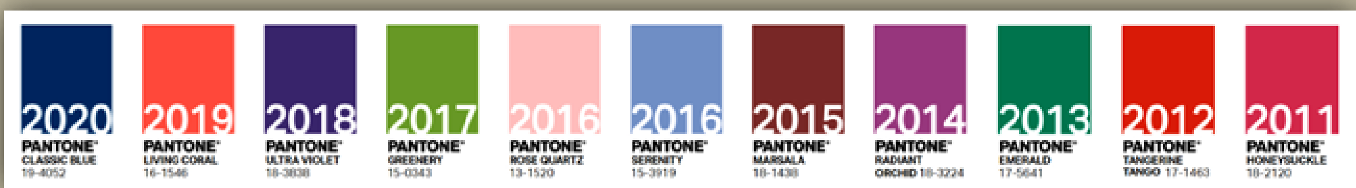
As people look for ways to fortify themselves with energy, clarity, and hope to overcome the continuing uncertainty, spirited and emboldening shades satisfy our quest for vitality.

PANTONE 13-0647 Illuminating is a bright and cheerful yellow sparkling with vivacity, a warming yellow shade imbued with solar power.

PANTONE 17-5104 Ultimate Gray is emblematic of solid and dependable elements which are everlasting and provide a firm foundation. The colors of pebbles on the beach and natural elements whose weathered appearance highlights an ability to stand the test of time, Ultimate Gray quietly assures, encouraging feelings of composure, steadiness and resilience.

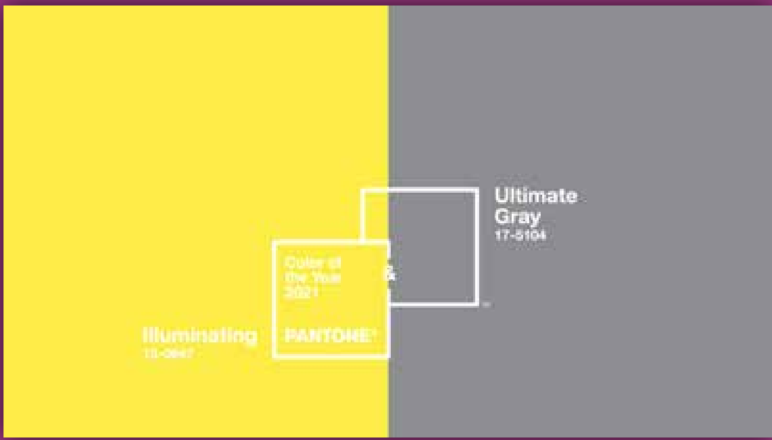
Emboldening the spirit, the pairing of PANTONE 17-5104 Ultimate Gray + PANTONE 13-0647 highlights our innate need to be seen, to be visible, to be recognized, to have our voices heard.

A combination of color whose ties to insight, innovation and intuition, and respect for wisdom, experience, and intelligence inspires regeneration, pressing us forward toward new ways of thinking and concepts.



DESIGN CORNER

Pantone announces 'Color of the Year 2021'



"The union of an enduring Ultiate Gray with the vibrant yellow illuminating expresses a message of positivity supported by fortitude. Practical and rock solid but at the same time warming and optimistic, this is a color combination that gives us resilience and hope. We need to feel encouraged and uplifted; this is essential to the human spirit."

- Leatrice Eiseman, Executive Director, Pantone Color Institute

ABOUT PANTONE COLOR OF THE YEAR

For over 20 years, Pantone's Color of the Year has influenced product development and purchasing decisions in multiple industries, including fashion, home furnishings, and industrial design, as well as product packaging and graphic design.

The Pantone Color of the Year selection process requires thoughtful consideration and trend analysis. To arrive at the selection each year, Pantone's color experts at Pantone Color Institute comb the world looking for new color influences. This can include the entertainment industry and films in production, traveling art collections and new artists, fashion, all areas of design, popular travel destinations, as well as new lifestyles, playstyles, and socio-economic conditions. Influences may also stem from new technologies, materials, textures, and effects that impact color, relevant social media platforms and even upcoming sporting events that capture worldwide attention.

ABOUT PANTONE COLOR INSTITUTE™

Pantone Color Institute is the business unit within Pantone that highlights the top seasonal runway colors, selects the Pantone Color of the Year, forecasts global color trends, and advises companies on color for product and brand visual identity. Through seasonal trend forecasts, color psychology, and color consulting, Pantone Color Institute partners with global brands to effectively leverage the power, psychology, and emotion of color in their design strategy.

Source: Pantone.com

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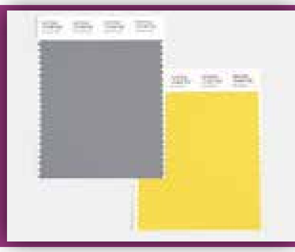
PANTONE COLOR OF THE YEAR - OTHER RESOURCES

1) **FORMULA GUIDE, LIMITED EDITION PANTONE COLOR OF THE YEAR 2021**

Visualize and communicate color for graphics and print

2) **COTTON SWATCH CARD**

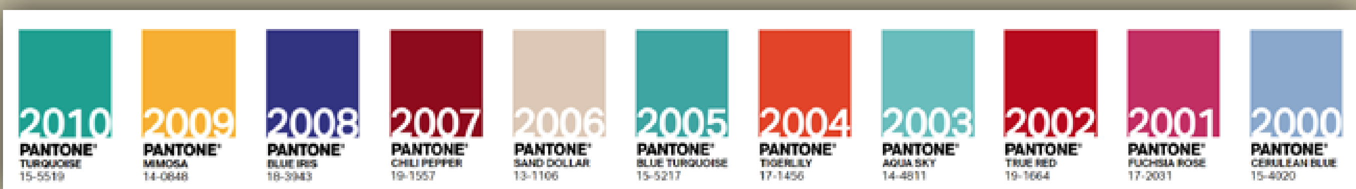
The definitive color standard for Cotton



3) **FASHION, HOME + INTERIORS COLOR SPECIFIER REPLACEMENT PAGES**

Refill your Pantone Color Specifier with your most used FHI Colors

Source: Pantone.com



DESIGN CORNER

Cotton Inc.'s Denim Forecast Highlights Color, Fabrics & Finishings

Ricardo Beas

The DENIM section of trend forecast website of Cotton Inc. specifically highlights key trend concepts for the denim apparel market through color, fabric, and finishings.

Color

Muted palettes paired with patterns and textures set the vibe for Fall/Winter 2021 and Spring/Summer 2022 denim collections, according to Cotton Incorporated. The not-for-profit organization recently introduced its denim trend forecast, revealing a shift toward classic garments with a twist for consumers seeking novel styles. Here's a closer look into Cotton Inc.'s crystal ball.

The first color to come to mind about denim may be blue, but Cotton's forecast maps out a broader spectrum of hues for F/W '21-S/S '22.

Neutral shades of white and unbleached cotton are an "indisputable favorite" for the upcoming seasons, it said.

While growing awareness about harsh chemicals and dyes has led to an uptick in natural ecru denim, the hue is gaining traction as a fashion color this fall. Global fashion search platform Lyst reported recently that winter white is among the fasting-rising colors this season. Searches for white coats grew 36 percent month-on-month, while searches for white boots increased 12 percent.

Demand for this neutral is poised to continue and will provide a warm contrast to the faded and jet blacks in Cotton Inc. forecast for men's and women's fashion.

And in another instance of sustainability influencing fashion, Cotton Inc. said desert-inspired hues akin to the colors achieved by natural dyes set the tone for the seasons' earthy color palette. Pops of raspberry, khaki and golden tan are a nod to more traditional autumnal shades.

Pastels maintain their place in both men's and women's denim collections, albeit with a fall-ish makeover. Colors like lavender, peach and celery green are subdued compared to previous seasons, appearing whitened or slightly gray.

Novelty colors like tomato red, goldenrod and dark purple, meanwhile, bring a jolt of youthful vibrance to the season and can be applied to workwear, rebellious punk-inspired fashion and other key Gen Z-centric stories for the season, Cotton Inc. added.

That's not to say that tried-and-tried indigo shades do not have a place on the color card. Indigo shades include a raw dark blue, a greyish petrol blue, a bright mid-blue, as well as faded, and bleached-down blues, Cotton Inc. described. Notably, the indigo shades exude a sense of softness even on rigid constructions.

Fabrics

As always, fabrics are part of the equation. In regard to color, fabrics that use natural yarns in the warp and color yarns in the fill create subtle color effects on the face of cotton denim fabrics, Cotton Inc. described. The addition of pink yarns in the warp add "an air of sophistication" to 3×1 right hand twills. Denim fabrics that are enzyme washed, sprayed with pigment and laser etched also deliver this soft, worn-in look.

Fabrics with a frosted appearance echoes this intrigue in softness, including brushed constructions with Tricotine twill variation and garment dyed fabrics with a 3×1 left hand twill. Drapey fabrics and constructions with a mélange effect add to this sense of coziness. To give mélange a sustainable update, Cotton Inc. suggests blending virgin cotton with 41 percent recycled denim.

To contrast the neppy appearance of mélange, seek fabrics such as denim with clear or black laminates and coatings that give jeans a leather-like appearance.

Fabrics based on traditional crafts receive a fashion facelift, such as indigo Ikat yarns combined with multicolor yarn dyed on a plain weave base. Others, Cotton Inc. described, use modern technology like digital printing to mimic the artisanal look of such fabrics.

Stripes take on a bolder appearance. Some call for a combination of 3×1, 2×1 and 1×2 right hand twills to define stripes, while others play with color such as a 2×2 left hand twill with black and indigo stripes.

DESIGN CORNER

Cotton Inc.'s Denim Forecast Highlights Color, Fabrics & Finishings

Flocked royal blue denim fabrics and flocked scrollwork on jeans add a regal velvet-like appearance to denim. Embroidery with both indigo and white yarns also add dimension to fabrics.

Heritage-inspired fabrics evolve in Cotton Inc.'s forecast. Chevron-patterned denim fabrics with flocking and cotton/wool blends offer winterized options. Sweater knits made with indigo yarn take on a natural faded appearance over time.

And bonded fabrications that combine lightweight indigo twill with a khaki open plain weave fabric offer an elevated way to wear pieced or patchwork denim. Expect to see garments that use a denim fabric on the front and an earthy-hued twill on the back for both comfort and unexpected cuff details.

Details

Even in an apparel category as classic as denim, design is in the details. Cotton Inc.'s forecast includes a myriad of themes culled from past decades, subcultures and art.

Artisanal accents are more playful than bohemian compared to prior seasons with details like simple embroidery, colorful leather appliques (applied in a modern grid-like pattern) and linear tie-dye on deck. There's also a return to femininity in Cotton Inc.'s forecast. Delicate lace adds a dainty element to 100 percent cotton women's denim top, while traditional toile prints update ivory denim.

The DENIM section of the trend forecast website of Cotton Inc. specifically highlights key trend concepts for the denim apparel market through color, fabric, and finishings.

Minimal looks for women focus on sculptural silhouettes and denim basics enhanced with seams that feature color-contrasting threads or three-dimensional constructions. Color and texture contrasting stripes are also used to elevate cotton workwear silhouettes. Workwear, in general, takes on a more colorful look, emboldened by Cotton Inc.'s forecast for tomato red and purple.

References to the '80s and '90s continue to land on denim's radar. Cotton Inc. interprets the decades with color-blocked garments that combine indigo with hand-dyed denim in pop colors and small details like combining overdyed denim in multiple colorways on the pockets of jeans.

Rainbow space-dyed yarns are a "playful alternative" to pinstripe jeans, Cotton Inc. stated. Multi-color rhinestones add a nostalgic touch to jean skirts, while silver studs pack an unexpected edge on girlish garments like a puff-sleeve jean shirt.

Grunge takes on a lighter vibe as well. Pastel colors emerge in men's jeans in a tie-dye-inspired motif, Cotton Inc. described. And in a nod to the subculture's use of flannel, denim jackets feature a washed-down plaid print.

Source: Cotton Inc.

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DESIGN CORNER

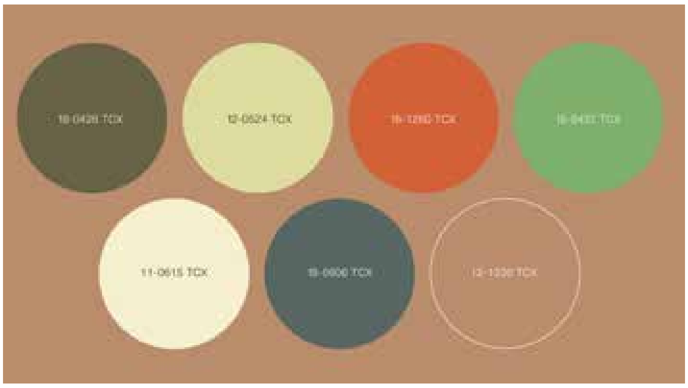
Cotton Inc.'s Cotton Fabric Trend forecasts styles, colours & prints

A platform for directional trends - this section of the Cotton Inc. trend microsite highlights key cotton fabric, color, and print concepts applicable to both apparel and home markets.

Considered

A humble, scaled back approach to design where every aspect of the process is considered. Society starts to veer away from panic and finds solace in a more integrated, softer form of protectionism. We become less reactionary and rely on rationality. Consumers are putting more thought than ever into their values with resourcefulness, longevity and versatility being paramount. In fashion and product, we see the principles of curated natural elements that promote the wellbeing of the consumer and their environments. This holistic approach to product and design follows the same ideology as the personal wellness and mental health initiatives of the last few seasons.

Colors



- A beautiful, nature-inspired color story that marries an appreciation of natural materials with functionality
- Neutrals mix with understated earth tones and unexpected shades of lemongrass and burnt orange presenting limitless applications
- Greyed teal, taupe, and leaf green become the building blocks of this new take on the sensible palette
- Raw colors speak to minimally-processed looks of natural blends with uneven color application and discreet protectionary details

Humble Material

- Discarded pre-consumer waste spun with regular cotton creates subtle neps on cotton fabrics
- Stripes in contrasting color and texture combine with a natural colored twill for a sophisticated take on patchwork in cotton outerwear
- Cotton/linen twill variation with white cotton in the warp
- An allover natural appearance in a cotton/linen double knit t-shirt

Natural Selection

- Cotton/hemp blend in a vertical stripe double knit with space dyed yarns (Cotton Incorporated Product Development #FK-1071)

DESIGN CORNER

Cotton Inc.'s Cotton Fabric Trend forecasts styles, colours & prints

- A plain weave cotton blend with slub yarns in the filling gives an overall worn appearance to the fabric
- A cotton/hemp open pointelle knit in a natural colorway (Cotton Incorporated Product Development #FK-1072)
- The natural combination of cotton and hemp blends emerge in knitwear (Cotton Incorporated Product Development #FK-1073)
- Cotton/hemp blend in a 2x2 basket weave, blotch printed

Eroded Surfaces

- Cotton voile printed to mimic a crinkled look on a women's top
- Cotton/linen denim jean sprayed with white pigment for a sediment inspired surface
- Knit and woven constructions merge in an active short silhouette sprayed in garment form
- Cotton/nylon knit hand sprayed for a slightly faded finish

Under Construction

- Pointelle and jersey constructions create a half and half effect in a cotton sweater knit
- Hand embroidered details add a repaired aesthetic to a cotton sweatshirt
- Three color terry intarsia in a geometric pattern (Cotton Incorporated Product Development #FK-1085)

Muted Stripes

- Subdued stripes on a lightweight cotton crepe shirting fabric
- Vertical mock leno stripes accent a dobby checkerboard ground
- A 100% cotton mock leno in a checkerboard pattern (Cotton Incorporated Product Development #7170-2)
- Bouclé yarns add heightened texture to knit strie

Next Level Basics

- Active accents on a women's two-piece set
- Ruched accents on the sleeve of a white sweatshirt
- Cutout detail enhances a women's classic cotton button-up shirt

Source: Cotton Inc.

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TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP SATISFACTION SURVEY

Dear Member,

Kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.

COMPANY INFORMATION

Name of the Company	:	
Contact Person & Designation	:	
TEXPROCIL Membership (RCMC) No.	:	
Email Address & Website	:	

1) **Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.***
1= Excellent, 2=Good, 3 = Satisfactory, 4 = Needs Improvement, 5 = Not Availed (N.A.)

Membership	**Rate Here**	**Trade Development**	**Rate Here**	**Trade Promotion**	**Rate Here**	**Trade Services**	**Rate Here**	**Trade Intelligence**	**Rate Here**
Procedure for New Membership		Publication: E-Newsletter		Intl. Fairs & Events		Certificate of Origin		Interactive Website	
Membership Renewal		E-serve		Seminars & Workshops		Grievance Redressal Services		E-News Clippings	
RCMC Amendment		Circulation Trade Enquiries/ Award		MDA/MAI Schemes		Information on Exim policy/ Amendment DBK		Information Disseminated	

2) a. Are you generally satisfied with the services actively availed by your company and marked above? **Tick (✓)**	**YES**		**NO**	
b. If you have replied 'no' above, please suggest how the Council can improve the services *(use additional sheet if required)*	**Suggestions:**			
3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? **Tick (✓)**	Accessing new Markets		Generating additional business	
Others (Pls. Specify):	Making new Contacts (Trade Enquiries)		Any Others	
4) How is your company benefitting from the Export Facilitation services being provided by the Council?	Information on Export Policy / Procedures		Responses to various EXIM queries	
Others (Pls. Specify):	Redressal of Trade related grievances		Any Others	
5) Have you recommended TEXPROCIL Membership to other companies? **Tick (✓)**	**YES**		**NO**	
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? *(use additional sheet if required)*	**Suggestions:**			

***Kindly ignore this feedback form, if you have already responded.**

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP
Annual Renewal Subscription

(A) Renewal of Membership - Annual Subscription Fees

For Renewal of Membership, an Annual Membership fee is to be paid.

Details of Annual Renewal Subscription Fees are as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right)	11000/-	1980/-	12980/-
Registered Textile Exporter	6000/-	1080/-	7080/-

(B) Payment of Renewal Subscription Fees

Payment of Renewal Subscription fee for the year 2020-2021 can be made online.

Bank details for online payment are as follows:

Account Name	The Cotton Textiles Export Promotion Council
Bank	Bank of Baroda
Branch	Opera House Branch, Mumbai-400004
Account No.	04090200000927
IFSC Code	BARB0OPERAH (Fifth character is zero)

After payment, send the details of online payment by Email in the following format on the following email ID : smita@texprocil.org.

Company Name	
Registration No.	
GST No.	
UTR No.	
Date of Transaction	
Name of Bank	
Amount of Transfer	
WhatsApp No.	(To receive handy and timely information from TEXPROCIL)

Also send a scanned copy of Bank Payment Advice by email on the Email ID : smita@texprocil.org

Immediately after receiving the Payment details, the membership will be renewed.

(C) Renewal of RCMC that has expired

We are glad to inform you that the Council has put in place an online system for renewal of Registration-Cum-Membership Certificate (RCMC). Renewal of RCMCs can be made online and after processing, the Renewed RCMC will be available to you online. The Original renewed RCMCs will be sent to you once our office opens and starts functioning after the lockdown.

Steps to be followed:

Upload self-attested scanned copies of the following documents online on TEXPROCIL's website (www.texprocil.org) through Member login and send a renewal request by Email on the Email ID smita@texprocil.org (In case the RCMC has expired) :

[1] Copy of your Import-Exporter Code (IEC)

[2] In case of Manufacturer Exporter, a copy of Manufacturing Licence

[3] In case of changes in Partners, a copy of revised deed of partnership

[4] In case of changes in Directors, a copy of DIR-12 or Board Resolution for those who have resigned or newly appointed.

[5] Copy of old RCMC

[6] Copy of GST Registration Certificate (if not submitted earlier)

[7] Payment advice of Annual Subscription for the year 2020-2021

Or

Alternatively, send self-attested scanned copies of the above documents by Email on the Email ID smita@texprocil.org

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